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Bush and Rabin Expected To Agree on Guarantee for Immigrant Housing Loans

Compiled by Our Staff From Dispatches KENNEBUNKPORT, Maine — President George Bush welcomed Prime Minister Yitzhak Rabin to his vacation home Monday for talks expected to bring agreement on a multi-billion-dollar U.S. loan guarantee for Israel.

Such guarantees would help Israel borrow the funds on favorable credit terms because the United States would ensure repayment in the event of a default.

Prime Minister Rabin has many friends in the United States, including the man he is standing next to.

President George Bush is only the fourth he has invited to spend the night in Kennebunkport. "The welcome mat is out," Mr. Bush said.

In the Israeli elections in June, Mr. Rabin asserted that Mr. Shamir's recalcitrance was hurting the Israeli economy. The United States considers the settlements an obstacle to peace.

Although there are only 5.5 million Jews in the United States, a nation of 250 million people, a preponderance live in New York, New Jersey, Florida, Illinois, California and other states controlling a significant number of electoral votes.



A Serb, wearing a bulletproof vest, appearing to toss a grenade on Monday into a house during an operation in a Bosnian town.

Allies Draft Resolution To Use Force In Bosnia

Separate Move Calls for Steps to Identify People Linked to 'War Crimes'

By Trevor Rowe Washington Post Service UNITED NATIONS, New York — The United States, Britain and France have reached agreement on a draft resolution that would allow the use of force if Serbs attack international units delivering humanitarian aid to Sarajevo and other besieged areas of Bosnia-Herzegovina, diplomats say.

Samaranch Wants More Olympic Pros

By Christine Brennan Washington Post Service BARCELONA — The president of the International Olympic Committee, Juan Antonio Samaranch, on Monday defended the presence of professional athletes in the Olympic Games and said he would work with the federations of baseball, soccer and cycling to encourage pros from those sports to enter the Olympics as well.

Mr. Samaranch, who reiterated his desire to run next year for another four-year term, also said it was "very possible" that the Olympics would be held in Africa "in the near future."

"We do not have the best baseball players," he said. "This, too, we must take in hand."

Curb Lifted, Syria's Jews Begin Exodus

By Nora Boustany Washington Post Service DAMASCUS — For centuries, soft chants and prayers emerging from this city's shaded synagogues echoed through the same alleys as the muezzin's cries from nearby mosques. But as an Israeli-Arab peace shimmer in the distance, one of the world's oldest Jewish communities is on its way out of Syria.

Rabbi Ibrahim Hamra, the charismatic chief rabbi of Syrian Jewry, seeking to come to grips with what is happening inside his community.

Between April 29 and July 30, he said, 682 exit permits were granted. Some are wavering about leaving Syria and thinking of strategies that would allow them to get a foothold abroad but keep their shops operating here. But others say they see the handwriting on the wall.

An American Pact That's Hard to Sew Up

Success of Canada Men's Suit Firm Has U.S. Balking on Free-Trade Accord

By Clyde H. Farnsworth New York Times Service TORONTO — Peerless Clothing Inc., a family-owned suit maker in Montreal, has done so well in shipping its men's wool suits to the United States that it has emerged as one of the final stumbling blocks in the lengthy negotiations for a free-trade agreement involving the United States, Mexico and Canada.

Another roadblock to an agreement was a last-minute quarrel over whether Mexico would allow American and Canadian companies to compete for certain contracts from Pemex, Mexico's state-owned oil company.

U.S. imports of men's woolen suits from Canada rose ninefold, to 456,000 in the 12 months that ended May 31, from 49,000 in 1987. That growth was largely a result of the dismantling of barriers under a free-trade agreement between the United States and Canada that went into effect on Jan. 1, 1989.



A Barcelona worker cleaning the plaza area Monday after the Olympic Games ended.

Islamic Rebels Batter Kabul, Killing Many

Compiled by Our Staff From Dispatches KABUL — Extremist Islamic rebels battered an entire section of the capital Monday in a daylong rocket assault that left nearly 1,000 people dead or wounded, Defense Ministry officials said.

Troops of the Islamic Party, or Hezb-i-Islami, led by Gulbuddin Hekmatyar, were blamed for what the Defense Ministry said was the worst assault on Kabul since Muslim insurgents took power from the Communists in April.

House Is Rebuffed on Iraq Counsel

WASHINGTON (AP) — Attorney General William P. Barr rejected a congressional request Monday to appoint an independent counsel to investigate allegations of misconduct by high officials of President George Bush's administration in U.S. dealings with Iraq before the Gulf War.

The attorney general said the committee's request for the investigation "contains vague and general allegations and lists a number of statutes that may have been violated." Specific charges against named individuals are needed to bring about the appointment of an independent counsel, he said.

A Delta Town Tries Its Luck at Riverboat Gambling

By William Booth Washington Post Service TUNICA, Mississippi — This is not exactly the kind of place thought of as a resort destination. No, for the last 40 years, Tunica has been the kind of dead-in-the-water town that people want to get away from rather than journey to.

It is sleepy and mostly peaceful here, and cheap to live. It is the kind of place where families feel interconnected, not for a few years, but through generations. It is a land where the blues came from, as did sharecropping.

Splash, is to open Sept. 1. A larger, \$30 million riverboat gambling and resort operation, the Mississippi Grand, is to start in Tunica County next year, and two more boat operators are seeking licenses.

Map of Tunica County, Mississippi, showing the location of the Mississippi River and the Gulf of Mexico. The map includes labels for neighboring states: ARKANSAS, TENNESSEE, ALABAMA, MISSISSIPPI, LOUISIANA, and FLA. A scale bar indicates 0 to 100 miles.

Market data table with columns for Dow Jones, Trib Index, The Dollar, and Yen. It includes 'Up' and 'Down' indicators and numerical values for each category.

A Pakistani Poet Puts His Life on Line for Women's Rights

By Edward A. Gargan
New York Times Service

KARACHI, Pakistan — There are a number of reasons why Akhtar Hameed Khan, a willow-thin poet, scholar, and social campaigner of 78, may be executed, although in Pakistan's vengeful, emotion-charged political climate, where Islam is both faith and lash, the reasons are never simply put.

Perhaps it is because Bilquis Begum and thousands of women like her leave their homes in the slums and hurry to work each morning.

Perhaps it is because Mr. Khan refuses to muffle his contempt for the relentless intrusions of Pakistan's military into the country's political life.

Perhaps it is because he wrote a nursery rhyme.

Or perhaps it is because of all three.

A children's poem, a nursery rhyme osed off 10 years or so ago when his country labored under military rule and published as a children's book last year, riggered Mr. Khan's ordeal. "The Fool and the Lion," he called it.

"It's only a small thing," said Mr. Khan, his long fingers splayed across the arm of his chair. "It's about a fool who reared a lion cub. He was devoted to the lion and he raised the lion. And in the end it ate him

up. But it's an allegory. The background was that if Pakistanis kept worshipping the military dictatorship, they would get eaten up."

Among the rhyme's scant 20 lines, however, was the following paean to the king of beasts:

*In many ways he praised,
Named the bravest, capable of defeating armies,
King of the lions.*

As a backhanded compliment to the military, the poem's scorn was thinly veiled. But worse, Mr. Khan unwittingly trod across the treacherous soil of belief, the state religion, Islam.

"The prophet's son-in-law, Ali, was called the lion of God," Mr. Khan said with a sigh. "So some of these nursery rhymes — 'I claimed I had insulted Islam.'"

"Many of them did not even read this poem," he said. "They just signed a fatwa. Muslims have this class of mullahs, or scholars, and they are required to give their opinion that such and such is against Islam. That is a fatwa. They said I should be prosecuted for defiling the prophet, for which there is only one penalty."

He turned his palm over in a gesture of the obvious.

"The penalty, of course, is death."

Although his case is creeping through the cumbersome court system, Mr. Khan remains remarkably unconcerned about the implications of an adverse decision. What absorbs him far more are the implications of the rise of religious authority on Pakistani society and the country's fate.

For much of his life, Mr. Khan has worked to improve the condition of women, first in what was East Pakistan and now Bangladesh, and for the last 20 years here in Karachi, in the slums of a district called Orangi.

"We try to upgrade these slums," he said, "to provide water, health care, education, information on family planning, help with employment, especially women's employment."

And it is women's employment, he said, that has most enraged the more rigid Muslim religious authorities, who believe that adherence to Islamic principles entails cloistering women.

Parveen Rahman, an architect by training and social campaigner by vocation, is one of Mr. Khan's organizers in Orangi, a densely packed jumble of cement-block houses woven together by a mix of dirt and macadam alleyways, home to nearly a million people.

"Our men all want 10 kids," said Miss Rahman, who eschews the veil deemed a

sign of modesty by most of Pakistan's mullahs. "That is our tradition, but there is also our reality. Men are beginning to realize they have to feed so many mouths. The cost of living is increasing so much that the expenses of one home cannot be borne by a single breadwinner."

"There are now 10,000 women working in Orangi," she said. "That's not a lot, but the most important thing is the trend: More and more women are joining the work force and 90 percent of girls here are in school."

Bilquis Begum is one of the women of Orangi who is now working, a woman Mr. Khan does not know, but one whose example may be threatening his life.

"Our family is large," Mrs. Begum said as she sat on a low stool in a high-ceilinged room off a small cement courtyard, "but the monthly income of my husband was not so much. The children were growing up and had to go to school. We needed more money."

So Mrs. Begum found a job at a hospital, was trained as a nurse and oow earns more than her husband.

"Of course the neighbors made up lots of stories about me," she said. "They would say it's shameful for a man to let his woman work. They would say I am a morally loose woman to come home at late hours.

But dogs are always barking. Let the people talk."

In Orangi proper, the mullahs endorse the practice of women working, Miss Rahman said, not the least because the mullahs are paid by the slum people themselves.

"The mullahs have a job," she said. "It is the mosque committee, people in the neighborhood, who appoint the mullahs, so they cannot go against the people."

But it is the mullahs and religious authorities outside the slums, those in the grander mosques and religious schools who view Mr. Khan, campaigner like Miss Rahman, and working women like Mrs. Begum with alarm, who preach that a genuine Islamic state means a return to the past.

"The mullahs want us to live in the 15th century," Mr. Khan said. "But people can't live in the 15th century if they are urbanized and liberal. I am not a supporter of the status quo. I work with poor people in directions that do not go to the past, but to the future. A new society is emerging, and part of this society is emancipated women."

He smiled, a broad, beaming, tooth-filled grin.

"Well," he said, "do they want my head for writing a poem about the lion, or for what I'm really doing? They won't get it."

WORLD BRIEFS

No Problems for UN Team in Iraq

BAGHDAD (Reuters) — A UN arms inspection team spent a second day of research on the Iraqi situation on Monday, apparently without challenging Baghdad's ban on searches in government ministries.

Nikolai Smidovich, the first Russian to head a UN arms team in Iraq, told reporters everything went smoothly but would not say whether he had been planned to go next. Asked whether he expected his remaining week in Iraq to be as calm as the first two days, Mr. Smidovich said: "Yes, we expect that it will be normal inspection activities for us."

Asked whether his team would challenge Iraq by trying to enter a ministry, Mr. Smidovich replied: "Our mission is not to challenge the ministry. We are conducting inspections. This is our mission."

Baku Rebutts Armenia's War Charge

MOSCOW (Reuters) — Azerbaijan dismissed on Monday charges by Armenia that it had begun an "undeclared war" in the Caucasus. In Baku, Azerbaijan officials said they had no quarrel with Armenia's side. The two Soviet Union would join the conflict on Armenia's side. The two neighbors have been feuding for years over the Armenian-inhabited Nagorno-Karabakh enclave in Azerbaijan.

President Levon Ter-Petrosian accused the Azerbaijanis on Sunday of unleashing war, and he appealed for help under a pact linking six members of the Commonwealth of Independent States, the successor to the Soviet Union.

"This is the Armenian propaganda machine in action," an Azerbaijani Foreign Ministry spokesman, Gabil Kocheril, said by telephone from Baku. He said Azerbaijan had no fear of being isolated against Russia, Armenia and the Central Asian states that pledged to come to each other's aid if attacked.

Suharto Defends Military in Politics

JAKARTA (UPI) — President Suharto has rejected criticism of military participation in politics, saying the soldiers represent an important aspect of Indonesian society in parliament.

In remarks to military representatives carried Monday by Indonesian news organizations, Mr. Suharto defended the setting aside of parliamentary seats for the military, known as *ABRI*.

"The appointment of ABRI representatives in the parliament do not represent ABRI itself but the mission entrusted by the people to ABRI," Mr. Suharto told a group of officers nominated for parliament Sunday at his ranch south of Jakarta. Mr. Suharto, 71, is a retired general.

For the Record

A Russian-French space crew returned safely to Earth on Monday from a mission aboard the *Mir* space station.

The prosecutor in the trial of 279 Muslim fundamentalists accused of plotting against the government on Monday asked the court to condemn 19 of them to death, calling them leaders of the alleged plot.

Italian authorities Monday named Judge Giuseppe di Genaro to head the Anti-Mafia Investigation Directorate set up by the government last week. Mr. Genaro, 68, takes the post following the recent assassinations of two other leading anti-Mafia magistrates.

Libya is seeking postponement of a meeting Saturday of the UN Security Council, which is due to consider tightening sanctions if Tripoli continues to refuse to hand over two airline bombing suspects, diplomats said Monday. Libya wants a four-month delay to try to reach a compromise on the issue.

TRAVEL UPDATE

More Europe Fare Cuts by Northwest

NEW YORK (AP) — Northwest Airlines escalated a fare war by cutting prices even further for flights to Europe, and at least two other carriers said they would match the cuts. Last week, Northwest and other major airlines followed Delta's lead and cut fares to Europe by about 30 percent for travel between Oct. 1 and March 31. Now Northwest says it will cut international fares in at least 70 markets further — up to 45 percent — for travel between Nov. 1 and March 31. Tickets for either offer must be purchased by Sept. 1.

United Airlines and Trans World Airlines said they would match the new Northwest fares in competitive markets. Spokesmen for Delta and American Airlines said the carriers were studying the new cuts.

Cheaper Northwest fares include \$428 round trip between Boston and Amsterdam; 29 percent off regular prices; \$448 between Indianapolis and Amsterdam, 44 percent off; and \$598 between Seattle and Tokyo, 38 percent off.

Crippled QE2 Enters Boston Harbor

BOSTON (AP) — The Queen Elizabeth 2 limped into Boston Harbor on Monday for repairs, and U.S. Coast Guard officials planned to survey waters off Buzzards Bay to determine what ripped a 74-foot gash in the ocean liner.

The ship, which 1,815 passengers included George Kennedy, the actor, and Tom Clancy, the novelist, struck an obstacle Friday night in an island-dotted area of southeastern Massachusetts. No one was injured. The ship is scheduled to return to service Aug. 18 for a voyage from New York to Britain.

Britain's main historic attractions are feeling the pinch of the recession, the English Tourist Board said Monday, reporting an 8 percent decrease in visitors in 1991 compared with the previous year. Visits to the Tower of London, which houses the Crown Jewels, were down from 2.3 million in 1990 to 1.9 million last year.

Lufthansa will start a weekly service between Munich and Tokyo from Sept. 5. It already has a daily flight between Frankfurt and Tokyo. (APX)

Miyazawa To Send Akihito on China Trip

Compiled by Our Staff From Dispatches

TOKYO — Brushing aside strong opposition from within his party, Prime Minister Kiichi Miyazawa officially decided Monday that Emperor Akihito would visit China in the autumn to mark the 20th anniversary of the normalization of diplomatic relations.

The visit, in response to frequent overtures from Beijing, will be the first by a Japanese emperor. Since he is the symbol of the state, decisions on imperial visits are made by the government, and cabinet approval is needed for any trip Akihito makes.

According to Jiji Press, Akihito and Empress Michiko will arrive in Beijing on Oct. 22 for a six-day visit that will also take in the Great Wall, Xian and Shanghai.

Mr. Miyazawa's government has held lengthy deliberations on the sensitive diplomatic implications of the visit with conservative members of the governing Liberal Democratic Party and nationalist groups who have opposed it.

Conservatives feared Emperor Akihito would be pressed into apologizing for Japan's invasion of China in 1937 and the ensuing brutal occupation, in which as many as 13 million Chinese perished. The war was prosecuted in the name of Hirohito, the present monarch's father.

Lawmakers also were angered earlier this year by two incidents: China reasserted its claim to the disputed Spratly Islands, and Chinese lawmakers voiced support for Chinese individuals seeking war reparations from Japan.

To reassure his conservative critics, Mr. Miyazawa has reportedly promised that the emperor will not make a clear, outright apology for the war.

Many in the government see positive political implications in an October visit, as it would coincide with the 20th anniversary of the normalization of diplomatic relations between Tokyo and Beijing.

Japan is also aware of the importance of growing trade with China, where Japanese investment, at \$580 million during the 1991-1992 fiscal year, was up 66 percent compared with the previous period.

Bilateral trade amounted to \$24 billion. (UPI, AFP)



Emperor Akihito delivering a speech Monday in the upper house of the Japanese legislature.

Japan's Army May Fix Cambodian Highways

TOKYO — Japan is considering sending between 500 and 700 army engineers to Cambodia to help rebuild Routes 2 and 3, which link the capital with the southern coast, a spokesman said Monday.

A mission, including 75 officers of the Self-Defense Forces, will leave for Phnom Penh on Tuesday for a week-long stay to study road reconstruction in areas away from Khmer Rouge guerrilla control.

The spokesman for the newly formed International Peace Cooperation Headquarters, which will coordinate Japan's overseas peacekeeping activities, said the engineers could be in Cambodia as early as October.

It would be the first overseas deployment of Japanese soldiers since World War II.

In Seoul on Monday an international church conference attacked the planned deployment of troops saying Japan was trying to become a world military power "to enhance its current economic hegemony."

"Japan has still not reconciled itself with its Asian neighbors because of the atrocities committed in this century, particularly during World War II," the statement from the International Christian Conference for Peace in Northeast Asia said.

The weekend conference was attended by church delegates from the United States, Indonesia, Japan, South Korea, New Zealand, the Philippines and Taiwan.

In Tokyo, the Peace Cooperation Headquarters said it also was studying plans to send to Cambodia a separate unit of 10 army officers as cease-fire observers and about 75 police officers to oversee elections.

The office opened Monday after the controversial Peacekeeping Operations Law, was pushed through parliament by the government in June after a 20-month battle.

The office is also preparing to dispatch a team of civilian officials to monitor general elections in Angola in late September, the spokesman added.

Under the new law, Japan's participation in UN peacekeeping activities is limited to noncombat missions.

Seoul Police Raid Campuses To Halt Unification Rallies

SEOUL — Thousands of riot policemen firing tear-gas raided two university campuses at dawn here Monday and arrested 80 student activists, including a German and a Turk, for planning outlawed unification rallies, the police said.

About 3,500 policemen stormed Chungang University and nearby Soongil University, a police officer said. Witnesses said hundreds of students at Chungang fought back, hurling gasoline bombs and stones from the roof of a building.

The police said they seized about 80 students, mostly at Chungang, the planned venue for a series of rallies by students from all over the country from Wednesday to next Monday. They also held several others wanted for leading illegal anti-government protests, a police source said.

The police said the "two foreigners, both known as members of a radical German student group, arrived in Seoul on Saturday with tourist visas and entered the Chungang campus to take part in pan-national rallies." An official added: "They were transferred to the immigration office immediately and will be forced to leave the country this evening."

SYRIA: Jews, Allowed by Assad to Travel Freely, Begin Leaving en Masse

(Continued from page 1)

bished Alliance School in the heart of the *hara*, or Jewish quarter, takes in the Bilal Mosque, a Christian cemetery enveloped in greenery and a panorama of the Old City of Damascus.

Business at Joseph Laham's kosher butcher shop is one-third what it used to be. Laham's, a shop that has existed for generations, is selling only about 400 kilograms (900 pounds) of meat a week, compared with 600 three months ago. A worker stuffing strings of kosher sausages said his boss might have to follow his clientele.

About five butchers cater to the Damascus community, which now consumes 1.1 tons of meat a week, according to Abdullah Qataeh, another kosher butcher from across the street, who is planning to join his son and daughter in Brooklyn, New York.

"We do not consider this an exodus, but an acquisition of our rights," explained Dr. Nesim Hasbani, a physician, lay leader and spokesman for the Damascus Jewish community.

Previously, it was illegal for Jews to emigrate or to travel in Israel, as it is for all Syrians, and those wishing to leave for good had to be smuggled overland to Lebanon or Turkey, often risking prison sentences or even their lives.

Prevented from traveling together for more than 40 years, Jewish families can now go abroad without leaving their loved ones behind. They are seizing the opportunity to leave, fearful that the doors might be shut again before a permanent peace is established.

Some are torn by the sudden challenge of the move and of giving up everything they have worked for; others seem eager to try their chances elsewhere and grow impatient with the red tape of Syrian intelligence and immigration officials.

Mr. Assad decided to let the Jews of Syria go after years of pressure from Washington and world organizations, pressure that intensified in the new atmosphere of Arab-Israeli peace negotiations. He fulfilled a dream of Syrian Jews who turned this industrious, close-knit community on his head.

They have led quiet, sheltered lives — able to practice their religion but careful to avoid the sensitivities and contradictions of existence in an Arab confrontation state that, until recently, thrived on its vocal animosity to Israel. Syrian Jews today have never been better treated by the regime.

Two weeks ago Mr. Assad instructed his Interior Ministry to stop stamping "Musawi," or follower of Moses, on the identification cards of Syrian Jews.

When Mr. Assad's mother died last month, Rabbi Hama and Mr. Hasbani drove to the president's bometown to offer their condolences.

"A good woman is like the good earth," the rabbi murmured to the president, after being ushered to the front of throngs of people waiting outside. "Losing one's mother is losing what is dearest to us."

Photographs of the two Jews shaking hands with Mr. Assad were splashed on the front pages of the official newspapers Al-Bath and Tahrir. Mr. Hasbani proudly went everywhere the next day with a newspaper.

Since a landmark meeting between Jewish community leaders and Mr. Assad this spring, the status and prestige of Syrian Jews have soared. On his instructions, two brothers imprisoned for trying to emigrate to Israel were released, and officials started work on the changes that led to lifting the "Musawi" designation on identity cards and ending the travel restrictions.

GAMBLE: Riverboat Revival

(Continued from page 1)

Delta teamed with farm workers and sharecroppers, predominantly blacks living at the edge of subsistence.

On Mr. Selden's family farm, for example, almost 400 people lived and worked for his father in 1935. By the 1960s, four men could do all of the work. Blacks in the Delta headed to northern cities in what the journalist Nicholas Lemann has called the largest peacetime migration in history.

As a result, Tunica's population has decreased from 22,000 to about 8,000 and continues to shrink.

"There are a small number of very wealthy people and lot of very poor people," said John E. Carr of Fisher-Phillips-Arnold Inc., the Memphis company that recently completed Tunica's master plan. "The county is three-fourths black, and most of the people are very old or very young. Everybody else has moved away."

Increased taxes and a cut of the winnings and admission fees could bring \$7 million a year to the Tunica County government, whose annual budget is \$2.8 million.

Casino officials promise to hire Tunica residents. But Paul Stevens, a dice-pit manager for the Tunica Splash, said he was surprised how few of the students in his dealer's school class are from Tunica. In black-jack class, for instance, about one-sixth of the students were from Tunica. Most are from neighboring counties or nearby Memphis, and most of the student dealers are white.

The jobs pay the \$4.25 hourly minimum wage plus tips, which can be \$3 to \$10 an hour. This makes dealing cards far more lucrative than working in the catfish-processing plant or as a day laborer.

Some gamblers who win jobs will seek houses or apartments, which may set off something of a building boom, revitalizing the economy and adding fresh blood to local life.

2 Weapons Smugglers Are Killed in Tajikistan

MOSCOW — Border guards killed two members of an armed group trying to smuggle weapons from Afghanistan into the former Soviet republic of Tajikistan, Tass said Monday.

Arms smuggling to Tajikistan from Afghanistan has grown rapidly this year as rival factions struggle for power in the central Asian state.

AFGHAN: Islamic Rebels Pound Kabul With Rockets

(Continued from page 1)

erment forces were said to have repulsed the offensive.

"We have captured most of Hekmatyar's positions from which he has fired on the city and brought such great bloodshed," said Haji Dilali, a Defense Ministry spokesman. "From now on we want people to be assured that they will be spared these kinds of attacks," he said.

Thousands of residents seized donkeys, horse carts and battered old trucks to flee the capital.

Several witnesses said they had seen dozens of bodies parily buried in the rubble of neighborhoods destroyed by the rocketing.

Doctors fled a government-run hospital in the worst-hit area, leaving behind hundreds of screaming patients, a witness reported.

The Red Cross hospital was forced to suspend surgery after it was struck by shells, said a spokesman, Jean-Michel Monod. He added that the hospital treated at least 700 people over the weekend, but he did not know how many had died.

"Most of the deaths are kids with bullets in the legs or injuries that would be simple to operate on," Mr. Monod said. "Children die very fast without surgery."

He appealed to the warring factions not to shoot at hospitals.

On Sunday, two rockets hit the Red Cross pharmacy, destroying drugs and antibiotics and other supplies for local hospitals. Earlier, a rocket destroyed the Red Cross sterilization unit.

The Islamic Party commander blamed the government for the stepped-up fighting.

Since taking power from the Communist government in April, Muslim insurgents have waged a bloody power struggle. They are divided along religious, ethnic and tribal lines.

Almost 4,000 people, mostly civilians, have been killed or wounded since the rebels won their long war against the Communists and began killing each other.

(AP, Reuters)

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The Weather

Forecast for Wednesday through Friday

Region	City	Today	Tomorrow	Day After
North America	Seattle	12-18	12-18	12-18
	Portland	12-18	12-18	12-18
	Boston	12-18	12-18	12-18
	New York	12-18	12-18	12-18
	Chicago	12-18	12-18	12-18
	Los Angeles	12-18	12-18	12-18
	Honolulu	12-18	12-18	12-18
	London	12-18	12-18	12-18
	Paris	12-18	12-18	12-18
	Tokyo	12-18	12-18	12-18
Europe	London	12-18	12-18	12-18
	Paris	12-18	12-18	12-18
	Rome	12-18	12-18	12-18
	Moscow	12-18	12-18	12-18
	Beijing	12-18	12-18	12-18
	Delhi	12-18	12-18	12-18
	Manila	12-18	12-18	12-18
	Bangkok	12-18	12-18	12-18
	Hong Kong	12-18	12-18	12-18
	Singapore	12-18	12-18	12-18
Asia	London	12-18	12-18	12-18
	Paris	12-18	12-18	12-18
	Rome	12-18	12-18	12-18
	Moscow	12-18	12-18	12-18
	Beijing	12-18	12-18	12-18
	Delhi	12-18	12-18	12-18
	Manila	12-18	12-18	12-18
	Bangkok	12-18	12-18	12-18
	Hong Kong	12-18	12-18	12-18
	Singapore	12-18	12-18	12-18
Africa	London	12-18	12-18	12-18
	Paris	12-18	12-18	12-18
	Rome	12-18	12-18	12-18
	Moscow	12-18	12-18	12-18
	Beijing	12-18	12-18	12-18
	Delhi	12-18	12-18	12-18
	Manila	12-18	12-18	12-18
	Bangkok	12-18	12-18	12-18
	Hong Kong	12-18	12-18	12-18
	Singapore	12-18	12-18	12-18
Latin America	London	12-18	12-18	12-18
	Paris	12-18	12-18	12-18
	Rome	12-18	12-18	12-18
	Moscow	12-18	12-18	12-18
	Beijing	12-18	12-18	12-18
	Delhi	12-18	12-18	12-18
	Manila	12-18	12-18	12-18
	Bangkok	12-18	12-18	12-18
	Hong Kong	12-18	12-18	12-18
	Singapore	12-18	12-18	12-18

CAMPAIGN '92 / AN APPROACH TO THE PRESIDENTIAL RACE

ELECTION NOTES

Bush Trails by 14 Points in His Home State

HOUSTON — Voters in Texas, the adopted home of President George Bush and the site of the Republican National Convention next week, favor the Democratic challenger, Governor Bill Clinton, by 14 percentage points over the president, according to a Houston Chronicle poll. The survey found that the Arkansas governor was preferred by 43 percent of 835 registered voters, while 29 percent favored Mr. Bush. Twenty-four percent were undecided, and 4 percent favored other candidates, most often Ross Perot. The poll had a margin of error of 4 percentage points.

The survey, conducted July 31 through Aug. 5, found that the economy was the top campaign issue in the state. Mr. Bush trailed in every region in Texas, including Houston, his adopted hometown and site of the convention. "It says Texas has to be a critical battleground state," said a political scientist at the University of Houston, Richard Murray, who conducted the Chronicle survey through the school's Center for Public Policy. "The president has to go all out here." He said that Mr. Bush could not "lose this state and win the country."

Texas has been the cornerstone of the so far successful Southern strategy, which has given the Republicans a virtual lock on the presidency since 1968.

Mr. Bush had no advantage on the "family values" issue, the poll found. Thirty-five percent said Mr. Bush could do a better job of supporting family values, 35 percent said Mr. Clinton could and 18 percent said neither man could.

Because the Chronicle poll and similar surveys show Mr. Bush running so far behind Mr. Clinton, Mr. Murray said, Republicans must "put on a good show" at the convention. (UPI)

Goldwater Warns of Abortion Backlash

WASHINGTON — One of the most conservative voices in the Republican Party has predicted that unless the Republicans modify their anti-abortion position, "the Republican National Convention will go down in a shambles, as will the election."

Former Senator Barry M. Goldwater of Arizona said this week in a letter to Mary Dent Crisp, head of the National Republican Coalition for Choice, that "abortion is not something the Republican Party should call for the abolition of." He added: "There is no way in the world that abortion is going to be abolished. It has been going on ever since man and woman lived together on this Earth."

Although the party's platform committee began considering changes in the platform in advance of the convention, Mr. Bush has vowed that the document's anti-abortion language will not be changed.

Republicans favoring abortion rights also urged the party to drop the anti-abortion plank from the party platform or else face losing many of its voters. The group proposed instead a "unity platform" that would be "entirely silent on the matter of abortion." (WP)

Aides Agonize Over Convention Script

HOUSTON — The Republicans knew it would be a challenge: turning the renominations of George Bush and Dan Quayle here next week into the kind of drama that would attract the positive television reviews that the Democrats had with their convention last month. Beneath all their plans for images and theatrics is a single serious goal: to prevent the Republican National Convention from becoming a nationally televised examination of Mr. Bush's campaign problems.

"We've got to rise above the noise level of the campaign," said Craig L. Fuller, who was chief of staff when Mr. Bush was vice president and is now coordinating the convention. "The president has made clear that this is really the launching pad for his campaign and that makes the convention very important."

While Mr. Fuller wants speakers to highlight the positive points of Mr. Bush's record, what he and other convention planners fear is that viewers will see instead mini-dramas of the sort that networks thrive on but that do not include the action on the convention stage: worries over Mr. Bush's poll ratings, whispers about the return of Secretary of State James A. Baker 3d to rescue the president, messy fights over abortion and the lingering unease about Mr. Quayle.

What Republicans seek to avoid are the elements that the networks think make political events interesting. (NYT)

Quote-Unquote

Lane Venardos, special events director for CBS News, on the Republican convention: "I think it's a story that's a lot better than any of us predicted it would have been six months or even six weeks ago. This is just one crazy political year." (AP)

Away From the Hustings

- Two Marines who died in a helicopter crash in Kuwait were identified as Captain John Beving, 28, and First Lieutenant David Jones, 30, both of Marine Medium Helicopter Squadron HMM-161 of Tustin, California.
- Two prominent U.S. policy groups, the Carnegie Endowment for International Peace and the Heritage Foundation, plan to open centers in Moscow this year in an effort to contribute to the growth of independent political and economic analysis in the former Soviet Union.
- Officials expect to contain blazes in Oregon, Idaho, Nevada and California, which are among the Western states scorched by 276,000 acres (110,000 hectares) of forest fires currently gripping the West.
- Jurors in the largest U.S. asbestos personal injury trial decided Monday in Baltimore that four companies must pay punitive damages of up to two and a half times their share of compensatory damages. The companies are GAF Corp., Keene Corp., Pittsburgh Corning Corp. and Porter-Hayden Co. In the case, 8,549 Maryland workers contend they were made ill by exposure to asbestos.
- The government should withhold commercial approval of a genetically engineered growth hormone that increases cows' milk production, according to the General Accounting Office.
- A federal court has affirmed a government order that Kraft Inc. stop oversteering the outrigger content of its cheese slices. The Federal Trade Commission said.

 (UPI, NYT, AP)

Cuban Defector Says Agee, CIA Foe, Got KGB Money

WASHINGTON — Philip Agee, a former operative of the Central Intelligence Agency who has conducted a public crusade against the spy service for two decades, has taken Moscow money repeatedly via the Cuban intelligence service, according to a high Cuban defector and senior CIA official.

The money was provided to Cuba specifically by the KGB, the spy agency of the former Soviet Union, to support Mr. Agee, according to Floriano Aspillaga Lombard, who was a major in the Cuban intelligence service when he defected in 1987.

All together, payments funneled to Mr. Agee could total "a million dollars or more," Mr. Aspillaga said in an interview.

Now 57 and living in Germany, Mr. Agee denies that he has taken Cuban money. "My relationship with Cuba has been solidarity with the revolution, not espionage," he insisted in one of several telephone interviews.

Born to wealthy, conservative parents in Takoma Park, Maryland, Mr. Agee was educated by Jesuits, graduating from Notre Dame in 1956. He joined the CIA in 1957, resigned in 1968 and in 1971 began his crusade to expose CIA officers and operations.

For investment information

read THE MONEY REPORT every Saturday in the IHT

The President Hones His 1988 Fear-the-Democrat Weapon

By Andrew Rosenthal
New York Times Service

KENNEBUNKPORT, Maine — As President George Bush struggles to revive his campaign, he is returning to an approach that worked for him in 1988: portraying himself as the less scary of the two presidential candidates.

At campaign appearances in recent days, Mr. Bush used the same rhetorical techniques he employed against Michael S. Dukakis four years ago, describing threats that he would stand up against and implying, without actually saying so, that his opponent's election would make the threat a reality.

It is all part of the announced White House strategy of raising "the fear factor" by pointing out that Governor Bill Clinton represents a gamble for the voters. Campaigning last week in New York, Georgia, Florida, Nevada and Colorado, Mr. Bush was painting a dark, monochromatic picture of what the losing side of that gamble might look like.

In 1988, he did this by saying frequently that people should vote for him because he was "on the American side," suggesting, presumably, that Mr. Dukakis was not.

In the same vein, Mr. Bush has recently assured his audiences that he will prevent "them" from dismantling the veterans' health system, although no one has suggested that he do so. He has said he would work to "establish freedom and democracy" around the world, a task that both Mr. Bush and his predecessor, Ronald Reagan, have repeatedly implied is beyond the abilities of the Democrats.

Much of what the president had to say last week was drowned out by his disavowal of a campaign news release reviving accusations about marital infidelity against

NEWS ANALYSIS

Mr. Clinton, by rumors about Mr. Bush's health and by the lingering disorganization of his campaign.

Polls still show Mr. Bush lagging far behind Mr. Clinton. But a few cautionary notes might be prudent.

Mr. Bush's re-election effort is showing new life as he gives more focused, ideological speeches and moves to capitalize on the power of his office by calling ovens conferences to talk about a slight dip in unemployment, the Balkan war and tensions in Iraq.

The weapons of fear are also potent ones, and Mr. Bush shows no hesitation in constructing frightening scenarios to place between Mr. Clinton and the voters.

At times, Mr. Bush does that directly, as

he did when he said the Arkansas governor would raise taxes if he became president. But he also does it through implication.

"As long as I am president, I will not allow a madman to get a finger on the nuclear trigger," Mr. Bush told a group of cheering disabled veterans in Reno, Nevada.

On some fronts, such as abortion, Mr. Clinton has made himself vulnerable to Mr. Bush's fear offensive. "In some places, a 13-year-old girl cannot get her ears pierced without parental permission — without bringing her mother and father along," Mr. Bush said at a Knights of Columbus conference in New York. "But some believe that the same girl should be able to get an abortion without parental consent."

Certainly, Mr. Clinton is not encouraging 13-year-old girls to get abortions. But his position on abortion gave Mr. Bush ammunition for the attack. While Mr. Clinton thinks that parents should be notified before their teenagers have abortions, he does not believe the law should require advance parental consent.

Mr. Bush has raised fears about the Democrats on the presidential ticket and in Congress that have little to do with their policies.

If, Mr. Bush said, in all this talk about

change, "Congress sends me legislation" to dismantle the veterans' health system, "I will whip out my veto pen and knock down that incoming Scud missile, that Scud missile aimed right at your very well-being," Mr. Bush told the veterans.

Neither Mr. Clinton nor the congressional Democrats have suggested dismantling the veterans' health-care system.

Last week, Mr. Bush was offering subliminal images of fear about morality and religion.

"Now that our moral values are victorious around the globe, we cannot and we will not abandon them at home," Mr. Bush told the Knights of Columbus. "We didn't stand together to see courageous moral values rise in Russia, only to be ignored here at home."

As in previous years, patriotism and national security are central themes for the Republicans in raising voters' concerns about the Democrats.

Mr. Bush is basing his patriotic appeal in part on the suggestion that because Mr. Clinton and the Democrats have talked about America's declining economy and shrinking exports, they are "running down America" and would allow the nation's exports to collapse.

The president is also using Mr. Clinton's lack of experience in military policy and

foreign affairs to imply dire consequences if the Arkansas governor won the election.

Speaking at a high-technology firm in Orange County, California, on July 30, Mr. Bush painted a picture of a Democratic administration recklessly slashing military spending.

"Someone has to say, even now that we've won the Cold War, America is safe, but just so long as America stays strong," Mr. Bush said. "And if we took the course that some recommend, we literally wouldn't know what we're missing until we found it out in the heat of battle."

There are risks to this approach. Mr. Bush's tough, ideological talk may bring back wayward Republicans, but the president must appeal to a broader audience to win in November. After the 1988 campaign, he is also vulnerable to charges of negative campaigning, and the Clinton team is doing everything it can to make him seem guilty of just that.

But the president has made it clear that he intends to press the attack. "After my being hounded and pounded for nine months by my principles being ill-defined and what I stand for being ill-defined, you're going to see some hard-hitting attacks which are going to fairly define his positions," Mr. Bush said Friday.

"That's going to be fun," he added. "I'm looking forward to it."

Mrs. Clinton Makes Case For Working Mothers

By Jenifer Warren
Los Angeles Times Service

SAN FRANCISCO — In a thinly masked attack on the Bush administration, Hillary Clinton praised working mothers who have excelled while juggling maternal demands and said that American women needed "a helping hand" rather than a "lecture from Washington on family values."

Addressing an awards luncheon sponsored by the American Bar Association to honor Anita F. Hill, Mrs. Clinton echoed the words of her husband, Bill Clinton, the Democratic presidential candidate, declaring:

"It is not enough to promote or preach about family values. We must value families."

Mrs. Clinton's remarks revisited a theme that surfaced in the campaign last spring after Vice President Dan Quayle said television's "Murphy Brown" had glorified single motherhood and mocked traditional family values by having a child out of wedlock.

Mr. Quayle's comments outraged many Americans, particularly because the Bush administration opposes abortion rights and has

Mrs. Clinton Makes Case For Working Mothers

moved to cut off federal funding to family planning clinics if counselors discuss abortion as an option.

Mrs. Clinton's speech was interrupted frequently by enthusiastic applause from the 1,200 lawyers and other guests at the luncheon.

But an even more rapturous reception was extended to Professor Hill, whose accusations that she was sexually harassed by Clarence Thomas nearly derailed his confirmation as a Supreme Court justice by the Senate last year.

Professor Hill urged her audience to stand up to sexual harassment and help toughen laws to punish its perpetrators.

"We as women who have it made may feel a comfortable distance from all of this," said Professor Hill, who is on a yearlong leave from the University of Oklahoma. But she added, "Whether we wear a suit to work or wear blue jeans, we must realize sexual harassment is a threat to us all."

The speeches Sunday came on the fourth day of the Bar Association's annual convention, which has attracted more than 13,500 lawyers.



Bill Clinton, center, and Al Gore, right, arriving Monday at CBS to meet with the morning show hosts, Paula Zahn and Harry Smith.

Clinton Declares He Is Unafraid to Use Military Force

International Herald Tribune

WASHINGTON — Bill Clinton, who avoided the draft during the Vietnam War because he thought the conflict was immoral, indicated Monday he would have no misgivings as president about committing professional U.S. soldiers to combat.

"The young men and women who join the service today do so with the full knowledge that they may go into combat or be put in a dangerous position, even those who don't have combat roles," the Democratic presidential nominee said. "And they join," he added.

Appearing with his running mate, Al Gore, on a CBS television show, Mr. Clinton was asked to reconcile his possible role as commander in chief with a statement he made as a student opposing the Vietnam War. At the time, he said, "No government should have the power to make its citizens fight and kill and die in a war they may oppose."

"We don't have a draft," Mr. Clinton said Monday. "There's a great deal of difference between that and what we had back in the Vietnam War where the war was fought with a draft but without a formal declaration of war, where there was vast opposition to the conflict. And that's the way I felt then."

Since the United States abolished military conscription in 1972, mainly as a result of public reaction to Vietnam, American armed forces have been made up entirely of volunteers.

Sensing Mr. Clinton's possible vulnerability on national security issues, the Republicans have been stressing recently that the Arkansas governor — by comparison to President George Bush — is unprepared to act as commander in chief.

The issue came up again during the television program, which included questions posed by a studio audience, callers and letters. The host of the "This Morning" program asked Mr. Clinton what experience he brought to the office that would help him decide "whether or not to put American men and women in harm's way?"

"Well, I have had to command the National Guard in some very difficult positions," he said. "I had to make a decision about whether to let them train in Central America. I had to call them out to quell a riot of Cuban refugees in 1980. I had to authorize the use of force in that action, and I did so, to try to save lives. I didn't have any problem with doing that."

"I've dealt with trying to get rad-

ical extremists and heavily armed groups out of armed camps in my state, and I dealt with that situation in an appropriate way. I didn't have any problem doing that," Mr. Clinton said.

"So I'll make the best judgment I can, based on the expert advice I get from military leaders and other leaders and based on what seems to be the right thing to do for the United States at the time," he said.

At that point, Mr. Gore, a Tennessee senator who did serve in Vietnam, joined in to say, "I really think that the overwhelming majority of Americans are really tired, 22 years later, of people trying to use the Vietnam War to divide this country. This country wants to come together. We're ready to move forward into the future."

In addition, Mr. Gore said, "How many governors have been the commander in chief of this country? Most recently Ronald Reagan, who had no experience prior to that time except as a governor, looking at the debates that played out in our nation. And if you want to go back through the history of this century and before, there is a long list of governors who have been among the finest commanders in chief this nation has had."

Mr. Gore, a member of the Senate Armed Services Committee, said that Mr. Clinton had already demonstrated proficiency in foreign policy in the case of Yugoslavia.

"Over two weeks ago Bill put out a little-noticed, lengthy statement on policy towards Bosnia, at a time when it was not high up in the news, but he outlined a series of steps," Mr. Gore said.

"And the White House tried to make political hay out of it and sent Marlin Fitzwater out to describe it as reckless," Mr. Gore said, speaking of the president's spokesman.

"It was very interesting to watch what then happened," he said. "People took a close look at what Governor Clinton proposed and now the president of the United States has in essence said well, he was right all along, we're going to make this the policy of our country."

Mr. Clinton said he had the necessary experience "to be president at this time."

"Much of our national security will be caught up in international economic issues," he said, "and as the longest-serving governor in the country now I've had a lot of experience in international economic issues. I know a lot about that."

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INTERNATIONAL Herald Tribune

America Isn't Asia's Cop

The Soviet threat is ended. America has been able to scale down radically its troop strength in Europe. But in Asia, apart from the unexplained base closings in the Philippines, U.S. forces remain in place...

For Japanese-Americans

Two years ago, Japanese-Americans started to receive checks for \$20,000 to compensate for their internment in U.S. relocation camps during World War II...

Terror or Advocacy?

The U.S. government's commitment to free speech by aliens will be tested in a trial soon to begin in California. It is the latest round in an effort to deport seven Palestinians and the Kenyan wife of one of them...

Other Comment

To Help Bosnia, and Bosnians As the pressure on Western leaders to intervene militarily in Yugoslavia increases, they must by now have realized that it is too late for selective strikes carried out exclusively by air power...

What Is Done for Bosnia Will Have to Be Done Well

BRUSSELS — Slowly but inevitably the West is moving toward military intervention in Yugoslavia. President George Bush and other Western leaders are clearly aware of the dangers of open-ended commitment...

Senior political committee, which has been in continuous session on Yugoslavia. It agreed to instruct the military committee to begin contingency planning in three areas: supervision of heavy weapons, protection of humanitarian relief, and enforcement of the embargo...

If the World Stands By Once Again, Evil Surely Will Prevail

THE HAGUE — It is unbelievable that little more than four decades after the genocide of the Jews, a European population group is being hunted and slaughtered without any government or international organization taking effective measures to stop the horror...

They have modern armies and emphasize international law and human rights. They can turn their words into deeds. The financing of the operation should not be difficult. Western Europe is rich, and many wealthy oil-producing states are worried about the Bosnian Muslims...

Americans Don't Want To Hear About Decline

SANTA MONICA, California — Now that "Rising Sun" is off the best-seller list and the hysteria surrounding the novel has faded, it is worth noting that the issue at the center of it, America's long-term economic decline, continues to be ignored...



The Campaigning Has Yet to Enthral

WASHINGTON — George Bush was elected president in 1988 largely because he was not Michael Dukakis. Not being Dukakis may help elect Bill Clinton this time. If it happens, America's political scientists should erect a statue to the ex-governor of Massachusetts as one of the most influential politicians of his time...

Certainly, attacking the bearer of bad news does not impregnate the economic message. Calling me a racist does not address the economic issues. Before I began "Rising Sun," I worked on a book about Benjamin Franklin, a man of infinite good sense. After a vicious, humiliating public attack on him in 1774, he said: "Grievances cannot be redressed unless they are known; and they cannot be known but through complaints..."

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: A Royal Accident LONDON — The Sheffield Daily Telegraph prints a story of accident which occurred to Princess Maria of Edinburgh. It was arranged that the Princess Marie should go for a picnic accompanied by her brother Alfred. There, a miller entertained the Royal visitors. During the day Princess Marie fell into the river. Prince Alfred bore her to the miller's house. Here the daughters of one of the miller's daughters were provided and donned. The miller's daughter received one of the smartest hats and cloaks which the costumiers of Plymouth could produce.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairman LEE W. HUEBNER, Publisher JOHN VINOCUR, Executive Editor... WALTER WELLS, News Editor... SAMUEL ABE, KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors... CARL GEWIRTZ, Associate Editor... ROBERT J. DONAHUE, Editor of the Editorial Pages... REGINALD DALE, Economic and Financial Editor... RENEE BONDY, Deputy Publisher... RICHARD H. MORGAN, Associate Publisher... JUANITA I. CASPARI, Advertising Sales Director... ROBERT FARRER, Circulation Director, Europe... International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718. Production, 630698.

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OPINION

The American Presidency Needs Instruction in Law

By Anthony Lewis

SAN FRANCISCO — From a constitutional perspective, the most striking feature of the Reagan-Bush years in Washington has been contempt for law...

A Bloody Day in Evaton, and We Were Doing the Bleeding

By Paul Taylor

EVATON, South Africa — On my sixth day as a foreign correspondent, somebody tried to kill me...

But I never finished. On the other side of the car, two men had hauled out the driver, Phillip van Nickerk...

The gunfire distracted my rat, which gave me a chance to walk around the car and try to help Phillip, whose face was covered with blood...

exposing the horrors of apartheid to the world. But the townships have gotten more dicey, more ambiguous in the transition to democracy...

MEANWHILE

just landed in this beautiful, damned and violent country, and who had never worked abroad, should do business in risky terrain...

Four young black men leaped out of the car, hauled us out of ours, and demanded our keys and money...

This all happened last Monday. By Friday night, we were out of the hospital, drinking beer in Phillip's apartment...

The townships are dangerous places. But they are also places where the Felix Gabaonkosis of this world live...

LETTERS TO THE EDITOR

A Reply From Belgrade

I have publicly renounced any territorial claims against Bosnia and will recognize Yugoslavia's independence...

Committee of the Red Cross to facilitate visits to alleged "concentration camps" on Yugoslav soil...

Another Bright Idea Regarding "Simple Ideas Can Avoid Chernobyls" (Opinion, August 4) by Arthur Rosenfeld and Evan Mills...

problems by replacing light bulbs by 100 million compact fluorescent lamps...

GENERAL NEWS

At WHO, High-Level Dissent

Health Agency's Chief Fires Deputy Who Wants His Job

NEW YORK — The World Health Organization is in turmoil. The head of the agency has dismissed his deputy, who is challenging him for the top job...



INSIDE CENTRAL & EASTERN EUROPE

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Ex-Senator Thomas McIntyre Dies

Thomas J. McIntyre, 77, a Democrat who became an influential senator in the Republican state of New Hampshire, died Saturday in West Palm Beach, Florida...

During his long career in the United States, Mr. Weatherly was a columnist and feature writer for The Guardian and several other publications...

Lord Devlin, 86, a former High Court judge who campaigned for the release of four persons wrongly imprisoned for 15 years for a series of IRA pub bombings...

William J. Weatherly, 62, English Journalist. New York Times Service. William J. Weatherly, 62, an English journalist and novelist who lived and worked in the United States...

William J. Weatherly, 62, an English journalist and novelist who lived and worked in the United States, died Wednesday in Poughkeepsie, New York, of cancer.

UN's Dilemma: Getting Muslims Out Furthers Serb Aims

By Stephen Kinzer
New York Times Service

BIHAC, Bosnia-Herzegovina — Serbs are tightening a noose around the northwestern corner of Bosnia-Herzegovina, cutting food deliveries and escape routes for 300,000 desperate people.

Some relief workers fear that Bihać, the largest city in the Muslim enclave, could soon become another Sarajevo, an encircled city consumed by violence and suffering.

Serbs in the hills above Bihać have been bombarding the city since mid-June. UN peacekeepers on duty here to monitor aid deliveries say that sometimes more than 500 shells strike in a day.

In radio broadcasts, Serbian commanders have told the people of Bihać that the shelling will stop if all of the city's 70,000 people agree to leave. If they insist on staying, the broadcasts say, they face bombardment and starvation.

"They are trying to clear this area of Muslim people," said Ibrahim Kozica, who in better times had a cafe in Bihać. "I wanted to send my wife and children out, but there is no way. We are waiting for God to save us."

UN officials say they are caught between two unpleasant alternatives as they consider how to help the besieged residents of Bihać and the rest of the Muslim enclave.

If they agree to sponsor a mass evacuation, they say, they will in effect become accomplices in the Serbs' "ethnic cleansing" process, which they consider repugnant. But they fear that if they do not attempt an evacuation, they will be leaving residents to a gruesome fate.

Because the local Muslim authorities are still in control of Bihać and surrounding areas, as in Sarajevo, Serbs cannot summarily drive the people out. In other parts of Bosnia-Herzegovina the Serbs have taken control and then begun the process of "cleansing."

"It's a human and political calamity that's just waiting to happen," said Cedric Thornberry, a UN official in the lands of former Yugoslavia. "It will require a major change in policy on the part of the Serbs if that calamity is not to occur. Many of us have nightmares about it."

The commander of the UN military mission here, Major Ziaul Haider of Bangladesh, met with local Serbian leaders last month to ask why they were shelling Bihać and other communities in this area.

"They said they want to move all Muslims out of Bosnia and replace

them with Serbs," he recalled. "They really don't have any military objective. The shelling is directed to civilian areas to terrorize people."

About 150 people have been killed and 1,000 wounded since the shelling began, he said. He estimated that 95 percent of the victims were civilians.

Much of the shelling is random, but at least two attacks appear to have been carefully aimed. On June 28, shells were fired into the local stadium while refugees from outlying towns were being processed there, killing two of them. A week later, four residents were killed while waiting in line to buy food at the only store still open.

The UN headquarters was moved out of the center of town last month, Major Haider said, after an attack that killed three children in an adjoining building.

Bihać is in a fertile valley only a few miles from Bosnia's border with Croatia. Serbs control the regions of Croatia north and west of here and also dominate the rugged Bosnian hills to the south and east.

Supplies sent by the United Nations and the Red Cross, including one convoy that arrived this week-end, are allowed to cross Serbian lines. But relief workers acknowledge that the amount of food and medicine that is arriving here is not nearly enough to meet the needs of such a large population.

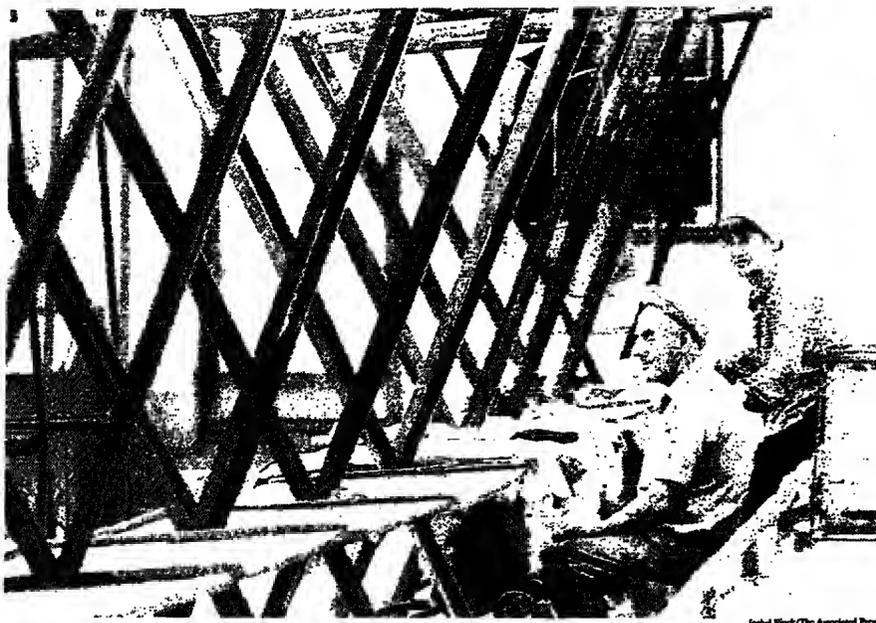
Evidence of the growing isolation of this region is clearly visible in the Bihać hospital, where doctors have recently begun treating severely malnourished infants.

"They look like victims of the Ethiopian famine," said Lars Nielsen, a Danish aid worker. "Pediatricians tell us that many cases don't even make it to the hospital."

The economy of this region has ground almost completely to a halt, with few crops being harvested and almost no businesses still open. In Bihać, many buildings have been destroyed or damaged by mortar shells. Many of the remaining houses are protected by piles of sandbags or stacks of lumber.

Although other communities in the area are not under the kind of prolonged bombardment that faces Bihać, many are suffering.

In one typical town, Velika Kladusa, 40 kilometers (25 miles) north of here, residents are without electric power, telephone service and running water. Food shortages are becoming acute, and residents say several small children have died in recent days because there is no medicine to treat them.



Business in Sarajevo was slow Monday, with at least two vendors venturing out to sell herbs, spices, lipsticks and other commodities.

RESPONSE: Allies Draft UN Resolution Authorizing Force in Bosnia

(Continued from page 1)

veto-wielding states on the Security Council. Diplomats said that Russia supported the document and that China, while hesitant, appeared likely to abstain.

France and Britain, unlike the United States, originally favored a resolution that called for a build-up of the United Nations Protection Force in Yugoslavia. The United States, whose views ultimately prevailed, supported an operation in the style of the Gulf War, in which the UN sanctioned the use of force but control of the troops was not vested in the UN.

What is unclear is the effect the resolution would have on UN troops in Serb-inhabited areas of Croatia, and more particularly, in Sarajevo.

There have been repeated expressions of concern by UN officials that Serbian gunmen might retaliate by attacking UN troops.

Officials have stressed that the earlier mandate might conflict with this latest mandate, which some describe as peace enforcement.

At the moment, Mr. Butros Ghali has not indicated whether he intends to have the present UN force in Sarajevo remain or if the troops would be pulled out.

A Western official said that the United

States, Britain and France "attach great importance to their staying in place at the airport."

Diplomats say they have no idea of the magnitude of the military operation envisaged by the United States and its allies.

"The numbers, the game plan, we're not aware of such a thing," a Western official said.

Some military officials have estimated that a humanitarian operation in Bosnia would require upwards of 100,000 troops.

Among some diplomats, there is a sense that the resolution is in large part a response to the political pressure generated by photographs and television scenes of starving and beaten Muslims in Serb-run detention camps.

"There's a tremendous head of steam out there," an official said.

There is also some restrained finger-pointing. In trying to estimate where the troops will come from, Europeans point to U.S. reluctance to send in ground troops.

■ **NATO Asked to Prepare**

In related developments, the United States and its NATO allies asked military officials to draw up standby plans for the use of force to assure that aid could get through to Bosnia.

Alliance sources said the 16 nations of the

North Atlantic Treaty Organization approved a tentative decision late last week to come up with the plans in case the United Nations asked for help.

In Geneva, a UN spokesman said the Human Rights Commission had scheduled Thursday for the start of a two-day emergency review of human rights abuses in former Yugoslavia.

The United States, citing reports of "concentration camp-like conditions" and other abuses, requested the meeting.

The commission has no power to enforce its resolutions, relying instead on negative publicity to convince nations to mend their ways. It might appoint a special investigator to concentrate on Bosnia-Herzegovina.

The EC Commission president, Jacques Delors, said that only the threat of military intervention would deflect Serbia from a strategy of nationalist hatred that could infect the rest of Europe.

"It seems that without the credible perspective — I underline credible — of a military intervention, nothing will be able to stop the subtle and murderous strategy of the Serbian leadership," Mr. Delors said at an emergency European Parliament hearing. (Reuters, AP)

Future of Slovakia? New Leader's Foes See an Iron Hand

By Stephen Engelberg
New York Times Service

BRATISLAVA, Czechoslovakia — In a few months, if all goes according to plan, the 74-year-old union of Czechs and Slovaks will end, and Slovakia will emerge as Europe's newest nation with the newly elected Slovak prime minister, Vladimir Meciar, as its leader.

That prospect gladdens nationalists here, who say Slovaks have been waiting a thousand years to win control over their destiny. But the government elected in June has stirred anxieties among opposition politicians, who see in Mr. Meciar's first steps harbingers of an authoritarianism to come.

A former Communist turned populist whose campaign touched Slovak national sentiment and fears about the deteriorating economic situation, Mr. Meciar dismisses these worries.

His vision for Slovakia, he insists, embraces a free-market economy, political pluralism and tolerance for the 500,000 ethnic Hungarians who live in this republic of 5 million.

Opposition politicians paint a darker picture, saying Mr. Meciar's election promises of economic recovery have raised hopes that cannot possibly be met. Mr. Meciar's detractors contend that an independent Slovakia is likely to have a pliant press, government-dominated economy and strained relations with neighboring Hungary and the ethnic Hungarians living within Slovakia.

"Nothing changes," said Dusan Slobodnik, the culture minister in the new government, in response to the charges. "Those who say democracy would be cut or limited, they don't tell the truth."

Opposition politicians point to these developments: In its first weeks in office, the Meciar government renationalized the company that prints all the newspapers in Bratislava, blocked a foreign joint venture that would guarantee the financial security of Smeňa, the leading independent daily, and told local bankers that the government intended to raise its ownership share in the banks.

As for the Hungarians, Mr. Meciar announced in parliament that any ethnic politicians who roll national tensions would be treated as "political criminals."

In a recent television interview, Mr. Meciar warned Hungary against interfering in Slovakia's internal affairs, and spoke ominously of purported military preparations on the southern border.

Shortly after winning the election that has propelled Czechoslovakia toward dissolution, Mr. Meciar informed Slovak television of his plans to deliver weekly broadcast speeches.

Jan Fule, the news director, politely reminded Mr. Meciar that Slovak law allowed the government such unrestricted access to the airwaves only in emergencies, and suggested instead a weekly program in which the prime minister could face questions from journalists.

"He refused," Mr. Fule recalled. "He said that if questioning was needed, his press spokesman would be good enough to do it."

For the moment, the result is an impasse, but Mr. Meciar's allies are working on a reorganization of Slovak television that will most likely cost Mr. Fule his job.

Among the dissidents who helped overthrow communism in 1989, the fear of the new regime is palpable. Maria Kanska, a member of the political party that initially led the fight against communism in Slovakia, said one of the new government's first acts was to dismiss at least 50 civil servants.

Mrs. Kanska, a lawyer, found no takers when she offered free legal defense to anyone willing to file a suit challenging the removal.

"My friends and I are in the court starting to fear," she said. "I know people who have sold their weekend homes in Slovakia and bought in the Czech Lands."

"It is very dangerous what Mr. Meciar keeps saying that we must be united. This is not consistent with a democratic society, to have to be united. We know what it means to have to share one opinion."

TRADE: Flap Over Suits Stalls North American Pact

(Continued from page 1)

Asia and knit them into fabric for garments that are considered to be Canadian for trade purposes.

Such garments qualify for lower duties and eventually duty-free trade with the United States under the staged reduction of tariffs that is part of the U.S.-Canada pact. Peerless has a 15 percent duty for its suits, down from 25 percent in 1989.

But under the negotiations for the new North American Free Trade Agreement, the United States is insisting that suits or other garments made of foreign yarn come in under a special quota to get the preferential duty. Once that quota was filled, the suits would have to pay the full 25 percent tariff, the same as those from South Korea or Italy, for example.

In other words, the way the Canadians see it, Canadian companies that do not use American fabric to make garments would not be able to enjoy the freer trade benefits of the pact.

Asked his reaction, an American trade official said, "The Canadians

are beefing because they are trying to get themselves a bigger quota." He declined to predict the outcome of the conflict.

So far, Mr. Hills has been unwilling to budge. Any eventual concession to the Canadians would depend on her judgment of the political as well as economic trade-offs.

The reason the United States has been so tough is that Canadian garment manufacturers like Peerless pay much lower import duties on foreign yarns and fabrics than their counterparts in the United States.

The American textile lobby, which in recent years has been able to sway the votes of more than half the members of Congress, has kept duties on imported fabrics and yarns as high as 36 percent. Peerless and other Canadian companies pay only 8 percent on their European woolsens and worsteds.

"It's the fabric that makes one garment different from another," Mr. Segal said. "We have access to world fabrics at world prices, and we don't want to give that up."

Forces in Bosnia Battle for Towns Across Republic

Agence France-Press

BELGRADE — Heavy artillery fire and fighting continued Monday in several towns across Bosnia.

While Sarajevo, the capital of Bosnia-Herzegovina, saw a relatively calm start to the week, Croats continued an offensive in and around the southern Trebinje district, 30 kilometers (18 miles) away.

The fighting in Bosnia-Herzegovina pits ethnic Serbs, supported by Belgrade, against a Sarajevo government supported mainly by Muslims and Croats.

The Croats, who said Sunday they had taken control of some areas of Trebinje, killed two Serbs in the fighting on Monday, the Belgrade news agency Tanjug reported.

Radio Sarajevo reported fighting for the besieged, largely Muslim town of Gorazde in the east, while Serbs shelled Bihać to the west, Doboj to the north and Mostar as well, the Croatian news agency Hina reported from Zagreb.

Britain Bans Group Of Ulster Loyalists

Washington Post Service

LONDON — The British government said Monday that it was outlawing the Ulster Defense Association, the largest Protestant extremist group in Northern Ireland, ruling that the organization has acted as a front for paramilitary assassins.

The defense association, despite its claims of noninvolvement in sectarian killings, "primarily engaged in the commission of criminal, terrorist acts," the government stated.

For more than two decades, Protestant groups seeking to maintain Northern Ireland's ties with Britain have fought a war against Catholic nationalist organizations — such as the outlawed Irish Republican Army — that want to put an end to British rule.

The decision by Patrick Mahew, secretary of state for Northern Ireland, to "ban" the defense association as of midnight Monday was immediately met with defiance. In a statement, the group promised to continue to "defend its community" and asserted that it had anticipated the government's action.

Radical nationalist elements also criticized the move, describing it as too little too late.

"For 20 years the UDA has increasingly become a source of embarrassment for the British," said officials of Sinn Fein, generally described as the political wing of the IRA. They called the ban a "cynical move" that would not stop collusion or the murder of Catholics by the group's death squads.

Although the defense association has long been active, it became a more acute problem for the British earlier this year when it was revealed that an informer had told British Army intelligence about many of the group's murder plots, and that the army had been slow to respond.

Last year, Loyalist or Unionist groups killed 40 civilians in Northern Ireland. The IRA and other Republican groups killed 28 civilians, along with 19 members of the British security forces.

Responsibility for the most recent high-profile murders carried out by Loyalist forces has been claimed by a paramilitary group calling itself the Ulster Freedom Fighters. But Mr. Mahew said Monday that the defense association was in effect a front for the other group.

At its peak in the early 1970s, the defense association claimed a membership of at least 20,000. But support has dwindled; according to unofficial estimates, there are now fewer than 5,000 members.

The ban means that it is now illegal to belong to the defense association or to raise money for it. The group thus joins a collection of organizations on both sides that somehow manage to evade the government's restrictions and keep the war going.

Some British officials say they are guardedly optimistic about finally settling the conflict. They place their hopes on preliminary talks held in recent months — involving the governments in London and Dublin, and both sides in Belfast — that could someday lead to substantive negotiations.

Any such negotiations, however, would be vulnerable to outbreaks of violence, which have scuttled hopes of a settlement in the past.

Rock Slide Buries Climber

Reuters

PARIS — A rock slide in the French Alps buried a German climber and injured another, the police said Monday. There is little hope of finding the man alive, they added.



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Style

Summer Shapes Up: The Baggiest the Better Designers Play Catch-Up, Streetwise

By Cathy Horyn
Special to the Herald Tribune

NEW YORK — Not long ago, under a sweltering sun in Central Park, the Perry Ellis company presented its spring collection of men's sportswear. There was nothing exceptional about the clothes, although the models managed to carry the show with their display of pectorals and hair gel. It wasn't until later in the day, after Michael Kors and Calvin Klein had shown their collections, that the tight jeans and skinny knits at Perry Ellis began to seem downright avant-garde.

After all, what had Kors and Klein done with their baggy clothes that any 15-year-old hadn't already done with a droopy sweatshirt and a pair of oversized jeans? There are a lot of ways to look at what has become the dominant shape of fashion in the United States this summer, not the least of which is its voluminous impact on Seventh Avenue. It is as if designers are now playing a kind of collective catch-up with a style that is neither so new that it can be exploited nor so inaccessible that it needs a designer's stamp of approval.

In fact, baggy clothes have gone mainstream, fulfilling some weirdly democratic principle of dress that seems to apply to the streets of Los Angeles as well as to the clay tennis courts of Nantucket, where jumbo whites are de rigueur among the younger players. Even tourists in Washington have taken comfort to a new extreme as they march around the monuments in latter-day bloomers.

What is most impressive about these pants is not their size, or the curious spatial relationship they set up with the wearer, but the way in which they have eclipsed almost every other trend. That they first emerged several years ago as a symbol of identification among Los Angeles street gangs says something, too, about the weakening influence of American sportswear designers.

While they are busily imitating the look of the streets, with upmarket linen shorts and sleeveless cotton shirts (a department store buyer assured me that "this is what the kids in Greenwich Village are wearing"), a whole group of "unsung" stylists in Los Angeles has been quietly leading the way.

Their companies have names like Fresh Five, Split and Clobber, names and labels that evoke the fly-by-night raves that have turned the L.A. club scene into huge, roving dance parties.

"We started with the clubs," says Bill Heibner, the sale manager at Fresh Five, where the age range among the 10 employees is 19 to 25. Founded two years ago by an art student named Rick Klotz, Five caught on quickly after Klotz created a series of T-shirts printed with institutional logos, such as Tide

laundry detergent and Special K cereal. Now the company produces a full line of clothes, selling them at specialty stores across the country. At Commander Salamander in Washington, for instance, Wendy Eronson, the owner, says that demand for Five's \$50 oversize jeans is such that she often goes to Los Angeles herself to pick up her orders. As for her clients, size 36 is considered average.

"The rule of thumb seems to be 10 inches [25 centimeters], so if your waist is 24 inches, then you wear size 34 pants," says Edward Maeder, who has followed the ballooning trend for several years in Los Angeles, where he is the costume curator at the Los Angeles County Museum of Art. He suggests that baggy clothes are a form of group identification, just as the term sans-culotte identified the republicans of the French Revolution.

Most youthful fashion represents some kind of rebellion against the status quo. Twenty-five years ago women took mini-skirts as their inevitable conclusion. Once they had shorted their skirts to the briefest possible statement, there was no place left to go but down. Likewise, the dimensions of jeans have been increasing steadily over the past few years, from the "flares" that were popular in London several seasons back to the ultra "bags" that now constitute the definitive look, and the ultimate extreme of the style.

"It amazes me how the kids keep them up," says Richard Martin, a curator at the Fashion Institute of Technology in New York.

INDEED, it is rather daunting to see a bunch of teenagers on the streets of Washington, their pants at half-mast. Seemingly suspended by gravity itself, the pants sag from the hips and droop into two heaps around the ankle. Shorts tend to look like the clam diggers that women used to wear on the New Jersey shore, only larger.

There are certain assumptions that go along with wearing pants on the verge of descent, one of which is that your underwear is going to show. But even Calvin Klein seems to recognize the stylistic potential in this "showing" of a pair of underwear. His models wore their fashion sheets low enough to "expose" the designer's latest assortment of black briefs, with his logo on the elastic.

What is interesting to historians of fashion, and unsettling to people who equate dishevelment with declining morals, is that baggy clothes represent another departure from the tailored conventions of Western society. Martin sees a connection between American street fashion and the loose styles of North Africa and the Middle East, suggesting that the ethnic influence now cuts across international boundaries. In any case, he and his fellow curator, Harold Koda, have been collecting and

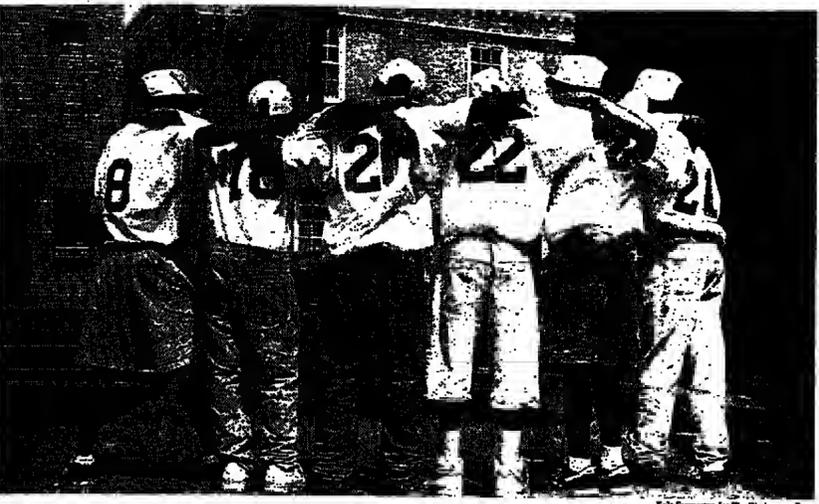
documenting examples of urban street wear, and will take that expertise with them in January, when they assume their new post at the Costume Institute of the Metropolitan Museum of Art.

Meanwhile in Los Angeles, the underground of style continues to move on, embracing the new as quickly as it rejects the old.

But one suspects that these are merely passing fancies, their days already numbered. At Five, where the pulse of techno jazz has set off a new vibration, the stylists are predicting "a more mature look."

"It will be simpler and less baggy," says Heibner. "A bit older."

Cathy Horyn is the fashion editor of the Washington Post.



Baggy's the fashion on the street; and on the runway (here by Yohji Yamamoto).



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New York Times Service
RINCETON, New Jersey—The ephemera that most people discard—theater tickets, railroad timetables, greeting cards, calendar covers, wrappers—are some people's obsession.

No one knows how many of these disposable items survive, but the numbers of vintage examples could be staggering. "Ephemera collecting is a kind of paper archaeology," said Dale Roylance, who organized "Graphic Americana: The Art and Technique of Printed Ephemera," an exhibition at the Princeton University Library, where he is a curator.

"It's a way of discovering the everyday life of another age." The show, which runs through Sept. 20, focuses on the golden age of chromolithography, from 1870 to 1910. In this period, color revolutionized commercial graphics, especially in advertising and packaging. Victoriana dominates the 300 examples representing 50 categories of graphics, from abecedaries (alphabet games) to zoetropes (optical toys). Half belong to the library; the rest were lent by collectors.

Flourishing typography and elaborate images convey the social significance of dance cards, bookplates, folding fans and certificates of merit. Commonplace in the era when the middle class burgeoned, such printed material is now virtually obsolete.

Other differences are seen in turn-of-the-century product labels: Most are far wordier than today's. As for packaging, yesteryear's seems sexier. Graphics on the household products women bought are as fussy as lace, while the images on what men brought home—liquor bottles, matchboxes, tobacco tins—are boldly colored and lettered. Flamboyant graphics dramatize everything from theater posters to postcards. In addition to postal cards of resorts, cities and world's fairs, there are "hold-to-light" cards depicting the Flatiron Build-

ing of New York and the 1893 Columbian Exposition.

These novelties from the early days of electric light are pierced with pin pricks so that, when held to a light, the buildings' windows come alive.

Trade cards were part of every traveling salesman's kit. The vividly colored ones on display, illustrated with sewing machines, telephones, gas lamps and bicycles, were distributed as reminders to farmers and their families of the products they came to sell.

Ephemera collecting is probably as old as printed paper. The most prominent early collector was the 17th-century English diarist Samuel Pepys, who amassed large scrapbooks of engraved business cards, licenses and indentures that he labeled "Vulgaria."

PAPER was the accepted term for these collectibles until 1976, when British trivia buffs organized the Ephemera Society of England. In the 1980s, thousands of other enthusiasts in the United States, Canada, Australia and Austria followed suit, founding their own associations.

To serious collectors, ephemera is nothing short of art. Indeed, the Princeton exhibition includes some arresting images. There's the illustrator Maxfield Parrish's 1920s sign for the Edison Mazda Light Bulb, and that familiar dog sitting by the horn of a Victor Talking Machine, and listening to "his Master's voice."

Rita Reif

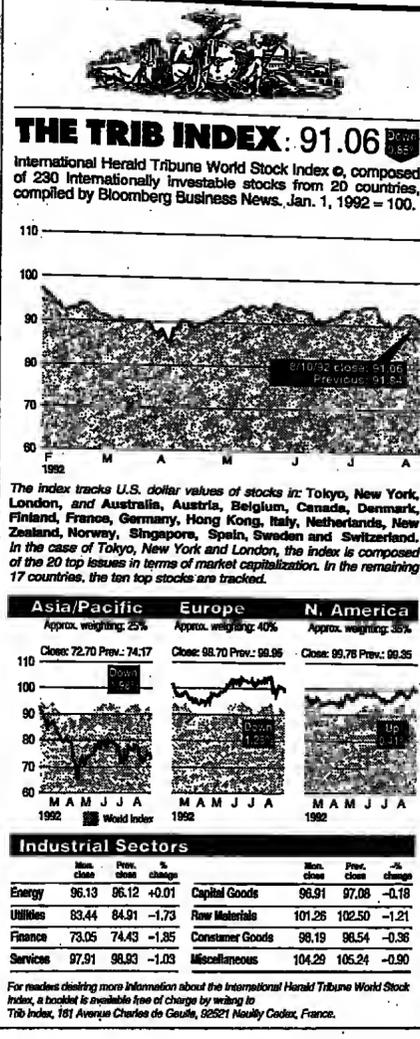
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BUSINESS



New Stock Offering Reported as Protest Grows in Shenzhen

Compiled by Our Staff From Dispatches
SHENZHEN, China—Local officials agreed Monday to issue new applications to thousands of disappointed people after violence erupted outside the main government buildings to protest a weekend stock-sale fiasco, reports said.

Unconfirmed reports said officials would issue an unlimited number of applications starting Tuesday afternoon for a chance to buy new stock market shares.

The announcements followed violent clashes in which the police fired shots into the air and used tear gas to try to control the crowd of as many as 10,000 protesters.

Witnesses said between 50,000 and 60,000 demonstrators — some holding signs with the slogan "Down With Corruption!" — were involved in the protest. Reports said demonstrators kicked and beat plainclothes policemen, set a van on fire and overturned several vehicles.

There were no immediate reports of injuries in the city, which borders Hong Kong.

The disturbance followed chaos Saturday and Sunday when an estimated 1 million people tried to cash in on the booming southern stock market through the sale of share application forms in the city.

On Sunday, local police said that one person had died in the crush as investors from all over the nation battled to get hold of the forms, which allow applicants to enter a lottery for shares. Only one in 10 forms were to be selected by stock market officials, giving the holders the chance to buy stock later this year.

The Chinese authorities have said there have been no deaths in the chaos despite the report by the Shenzhen police of one death and another report Sunday by a Hong Kong television station that two people had died.

Many witnesses reported brutal scenes involving the police over the weekend. Some policemen were seen pulling people by the hair to remove them from lines outside the sales offices, apparently suspecting them of cutting in.

Earlier Monday, China played down the weekend chaos, with the

McDonnell Expands Cutbacks

Compiled by Our Staff From Dispatches
ST. LOUIS—McDonnell Douglas Corp., the largest U.S. defense contractor, said Monday it would close a plant in Columbus, Ohio, and seek a buyer or partner for its helicopter operations in a restructuring of its defense business.

The aerospace company said it would consolidate six defense businesses into two groups.

"The new reality in the aerospace industry demands a management approach that is focused, yet flexible, in light of today's changing market," said John McDonnell, chairman and chief executive officer. "We are going to streamline our operations and create even greater efficiencies for our company."

"We know that the aerospace industry will be very different in five years, with the decline in military spending and the turmoil in the commercial air carrier industry," he said.

"Our business has been holding up relatively well, compared with other aerospace companies," he said. "What we are trying to do is stay ahead of what's going to be happening."

Mr. McDonnell said the changes would lead to additional job cuts, but he offered no estimate of how many.

To oversee the reorganization, McDonnell Douglas created a new office of the chairman that will determine during the next 90 days how the reorganization will be accomplished, Mr. McDonnell said.

McDonnell Douglas said that next year it would close the Ohio plant that makes parts for the C-17 military transport plane and for certain commercial aircraft. Work at the plant, which employs 1,000, would be transferred to other company plants and suppliers.

The company said it would also seek a joint-venture partner or a buyer for its helicopter business, which makes both military attack helicopters and commercial helicopters.

"Our strategy is to concentrate on businesses where we are, or can become, the number one or number two company worldwide," the company said.

McDonnell Douglas shares rose after details of the restructuring were announced.

The stock closed Monday at 37 1/2 on the New York Stock Exchange, up 2 1/2.

The stock has been hit hard by negative news over the past year after topping \$80 a share. Second-quarter earnings were a disappointment, falling 53 percent, to \$38 million.

The changes would affect Douglas Aircraft Co., McDonnell's commercial aircraft arm based in Long Beach, California, the company said. In July, McDonnell announced plans to lay off 4,000 to 5,000 people at Douglas Aircraft this year because of a slump in the commercial aircraft business.

David Jones, an analyst with Paul & Co., said the company is caught between falling defense spending and a weak airline industry.

"To streamline the company's line, but you still need the revenues," Mr. Jones said. "That's their big need, more orders on both the commercial and the defense side."

Lawrence Harris of Kemper Securities Group in Chicago said he viewed Monday's moves as "extremely positive."

"The actions will help McDonnell Douglas focus on profitability," Mr. Harris said. (Bloomberg, UPI, Reuters)

Accor Wins Round in Wagons-Lits Deal

BRUSSELS—Accor SA, the French hotel company, won a regulatory decision Monday that might give it up to 700 million French francs (\$140.4 million) in its purchase of Compagnie Internationale des Wagons-Lits & du Tourisme SA.

The decision can still be contested, and it has pitted the power of Belgian financial regulators against the country's judicial system.

On Thursday, the Brussels appeal court had confirmed a Dec. 4 ruling obliging Accor to pay three former minority shareholders of Wagons-Lits 12,500 Belgian francs (\$411) per share instead of the 8,650 francs a share offered during its 15 billion franc bid last year.

But on Monday, the Banking and Finance Commission, ruled Accor did not have to extend the bid to shareholders who did not see a

spokesman said, "Thursday's court ruling gives no legal basis for a reopening of the bid."

A reopening of the bid, sought in the Brussels commercial court by a group of institutional investors led by the Brussels brokerage Petercam, would extend the higher price to all former shareholders in Wagons-Lits, which owns hotels, travel agencies, the Europcar car rental network and other travel-related properties.

Accor estimated last week the court ruling would cost it 950 million French francs if applied only to the three plaintiffs and 700 million francs if extended to all shareholders.

The appeal ruling was based on the fact that in June 1990 Accor had bought a 26.7 percent stake in Wagons-Lits from Belgian holding company Groupe Bruxelles Lambert SA. The judge said this gave Accor joint control of Wagons-Lits along with another French shareholder.

But the commission ruled the bid could not be reopened since the bid should have been made in the 30 days following the change of control.

Accor has said that if it could overturn the appeal ruling, it would extend the 12,500 franc price to all shareholders who can prove they held Wagons-Lits shares in June 1990.

But Petercam said Accor should have to pay all minority shareholders the higher price. It based its position on the fact that Accor gave Société Générale de Belgique SA, its main shareholder and partner in the bid, a put option to sell its shares to Accor at 12,500 francs after the bid.

If the Brussels commercial court, expected to rule in September, backs Petercam, Accor may be forced to pay twice for the same shares.

"The court will decide. If the court takes the Petercam side, the bid will be reopened," the commission spokesman said.

INTERNATIONAL STOCKS

Taiwan's Shaky Opening In World Equity Market

By Laurence Zuckerman
International Herald Tribune

TAIPEI—Taiwan has plans to raise as much as \$40 billion over the course of the decade from the privatization of state-owned companies, but its maiden effort at tapping the international equity market has gotten off to a rocky start. The country's first global depository receipt, or GDR, representing 5 percent of state-owned China Steel, Taiwan's biggest steelmaker, began trading in May and swiftly dropped more than 30 percent before climbing back slightly. But the shares are still selling at a steep discount to China Steel shares trading locally on the Taiwan Stock Exchange.

Several foreign brokers and analysts blame Goldman, Sachs & Co., the lead underwriter of the issue, for failing to place the shares with long-term investors, or for failing to place them all.

The choice of Goldman to lead the issue rankled several of its competitors because it had very little presence in the Taiwan market prior to winning the deal. But government officials said they chose the firm because of its strong record in handling privatizations in such emerging markets as Spain and Mexico, and because of its strong distribution network.

But distribution, according to critics, is one area where the issue has faltered. "There is a large overhang in the market," said a foreign analyst. "What everybody is saying is that Goldman did not place it properly and ended up with a large holding on their books."

A Goldman spokesman in London vigorously denied the charge. "At the time of the issue, all the stock was fully distributed to appropriate end investors," he said. "There was no stock left at all."

The spokesman attributed the global depository receipt's poor performance to the current difficulties in the world equity market. "Over time, Goldman, Sachs and China Steel are committed to developing new investors in the company," he said, "but given the current malaise in the equity market, that is going to be more difficult in the very near term."

Gordon Chen, vice chairman of Taiwan's Securities and Exchange Commission, said that Goldman has recently made two presentations to the government to explain what went wrong. "We know the problem comes from many sources and we are consider-

Taipei Bank Curbs China Investment

Compiled by Our Staff From Dispatches
TAIPEI—The Bank of Taiwan announced a freeze Monday on loans to companies that have invested in mainland China or intend to do so.

Analysts said the freeze was the latest move by the government to dampen Taiwan's recent investment craze in mainland China and curb capital outflow. But they questioned the feasibility of the restriction.

Officials of the government-owned bank said the bank would also strictly review loan applications involving possible links with investment in China.

The Bank of Taiwan said the measures would stimulate sluggish domestic investment amid a shortage of funds at home.

Several major companies have openly expressed interest in expanding their operations to mainland China. President Enterprises, Taiwan's largest food company, recently announced plans to build more factories in China and enter China's domestic food market.

Even if the Bank of Taiwan enforced its decision and other state-run banks followed suit, the government could not force private and foreign banks to adopt such moves, said David Yu, a research manager at Wardley James Capel Taiwan Ltd. (AP, Reuters)

European Stocks Trip After Tokyo Prices Fall

Compiled by Our Staff From Dispatches
LONDON—European stocks fell sharply on Monday after a drop in Tokyo that took the widely watched Nikkei average to its lowest close since the first half of 1986.

The Tokyo market was depressed by heavy selling by individual investors.

"There's no way to predict where the bottom of this market is," said a trader at a Japanese brokerage. "Most people in the market simply have not experienced these levels ever before."

Kazuyuki Suzuki, a trader with Daiwa Securities Co., said that many players were dumping shares

in an attempt to reduce their risk during the current holidays.

"Just holding Japanese stocks is seen as a risky thing to do now," Mr. Suzuki said.

Many Japanese companies are on vacation this week and next for the Buddhist Bon festival, when many people return to their hometowns to visit relatives.

Although the Tokyo fall pressured Asian and European markets, Wall Street's reaction was muted, with the Dow Jones industrial average little changed in late trading.

In Tokyo, the 225-share Nikkei finished at 15,066.34, down 451.93 points, or 2.91 percent, after hitting the day's low of 14,929.55. It was its lowest close since April 1986.

The Nikkei is now more than 61 percent below its all-time high of 38,915.87 in late December 1989.

European stock markets took the cue and retreated, hastened in some cases by local factors.

London shares were particularly badly hit as gloom about the state of the British economy accelerated the fall. The Financial Times-Stock Exchange 100-share index ended down 24.4 points at 2,325.70, its lowest close since Feb. 26, 1991 when it finished at 2,322.20.

Of the 100 leading shares, nine were going ex-dividend on Monday, reducing their attractiveness to investors, and this accounted for more than 10 points of the index's fall, analysts said.

Imperial Chemical Industries lost 25 pence (48 cents) to £11.20, Barclays Bank was down 21 at 303, and BAT Industries was down 27 at 710 pence.

"The market is wracked by a lack of interest, buyers and money," a trader said.

In Germany, the 30-share DAX index closed down 26.95 points at 1,582.55, its lowest finish since Jan. 8. Dealers said concern about relatively high German interest rates

East German Hookup for Raychem

By Anthony Ramirez
New York Times Service
NEW YORK—Raychem Corp. has won a \$100 million contract to help provide modern telephone service in the former East Germany and in the process test some of the most advanced features incorporating fiber optics.

Raychem, headquartered in Menlo Park, California, will participate in one of the world's most ambitious telecommunications projects: the German government's \$20 billion five-year effort to bring a working telephone system to the backward regions of Eastern Germany.

When the Berlin Wall fell in 1989, there were only 1.5 million telephone lines in East Germany and a 20-year wait for a telephone to be installed. Many of the telephone lines were unreliable.

By the late 1990s, Deutsche Bundespost Telekom, the state-owned telephone company, plans to install 6 million business and residential lines and replace the existing network, for a total of at least 7.5 million lines.

About 1.2 million of the new lines will be fiber optic, providing clear voice telephone service as well as future capacity for video and data services.

The German government award-

ed contracts for the first 200,000 fiber-optic lines. Siemens AG of Germany, Alcatel Alsthom SA of France and a consortium led by Philips Electronics NV of the Netherlands won contracts for most of the work.

Raychem, a unit of Raychem, won the contract for 48,500 lines in five German cities, including Brandenburg. The lines are scheduled to open in December 1993.

ARIANE SICAV

A partir du 11 août 1992, il est payé un dividende de USD 15 par action contre remise du coupon n° 8 des certificats au porteur à la BANQUE DE GESTION EDMOND DE ROTHSCHILD LUXEMBOURG

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A partir du 11 août, l'action est cotée ex-dividende en Bourse de Luxembourg.

CURRENCY & INTEREST RATES

Cross Rates		Eurocurrency Deposits	
	Aug. 10		Aug. 10
American \$	1.64	Dollar	3 1/2-3 3/4
Argentine peso	0.09	D-Mark	7 1/2-8 1/4
Australian \$	1.2576	Swiss Franc	8 1/4-8 3/4
Belgian franc	0.000333	French Franc	10 1/2-10 3/4
British pound	0.7563	German Mark	10 1/2-10 3/4
Canadian dollar	0.71	Italian Lira	200-205
Chinese yuan	0.15	Japanese Yen	160-165
French franc	0.000333	Spanish Peseta	165-170
German mark	1.36	Taiwan Dollar	20-25
Italian lira	200	Thai Baht	20-25
Japanese yen	160	Turkish Lira	100-110
Spanish peseta	165	U.S. Dollar	90-95
Taiwan dollar	20	U.S. Dollar	90-95
Thai baht	20	U.S. Dollar	90-95
Turkish lira	100	U.S. Dollar	90-95
U.S. Dollar	90	U.S. Dollar	90-95

Key Money Rates		Gold	
	Aug. 10		Aug. 10
3-month Treasury bill	7 1/2	American \$	358.50
6-month Treasury bill	7 1/4	London	358.50
9-month Treasury bill	7 1/4	New York	358.50
1-year Treasury bill	7 1/4		
3-month Treasury note	7 1/2		
6-month Treasury note	7 1/4		
9-month Treasury note	7 1/4		
1-year Treasury note	7 1/4		
3-month Treasury bond	7 1/2		
6-month Treasury bond	7 1/4		
9-month Treasury bond	7 1/4		
1-year Treasury bond	7 1/4		

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MARKET DIARY

Blue-Chips Stocks Post a Slight Gain

NEW YORK — U.S. stocks, buoyed by a robust government bond market, closed mixed Monday despite plunges in overseas equity markets.

The Dow Jones industrial average ended at the session high of 3,337.58, up 5.40 points, with IBM and Chevron leading the way.

"It looks like you got some retail bargain-builing to the Dow names," said Philip Smyth, an analyst at Bixby Associates.

On Friday, the index had tumbled after initial gains of nearly 30 points to close down 8.38 points after computer-guided sell orders flooded the market.

Broader market averages also recovered some of Friday's losses. Standard & Poor's 500 index rose 0.54 point, to 4,192.42, but the Nasdaq composite index slipped 0.59 point, to 573.15.

Declining common stocks outnumbered advanced by a margin of 5 to 6 on the New York Stock Exchange.

Trading on the Big Board picked up late in the day, but volume still totaled only 142 million shares. That is the lowest level since 146.64 million shares changed hands on May 22, the Friday before the Memorial Day holiday.

"It's a sleeper," said Richard Meyer, head of institutional trading at Ladenburg, Thalmann, noting that it was typical for many Monday trading sessions.

"The bond market has been up all day, and that's helped," said John Blair, head of equity trading at County NatWest Securities.

The reversal on Friday was overdue. Things just stabilized.

Bond prices were buoyed by the stumbling U.S. economy and plunging foreign stock prices.

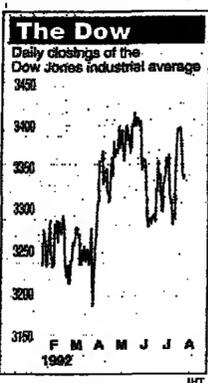
Many traders had expected U.S. stocks to plunge in response to sinking overseas markets and believed that the absence of participants may have helped stabilize stocks.

The U.S. markets ignored bearish trends in Japan, France and Germany, traders said.

Navistar International, Storage Technology, Hewlett-Packard, Boeing, and Citicorp were the five most actively traded stocks on the U.S. composite list.

Storage Technology, down more than 5 points on news of another delay in the iceberg disk-array storage product, shows "the market's very unforgiving," said Jim Benning, a trader at BT Brokerage.

Navistar fell 1/4 to 2 1/4 after setting a 52-week low of 1 1/4. The stock has been weak amid concerns about a union dispute.



NYSE Most Active

Table listing NYSE Most Active stocks including IBM, Intel, and Microsoft with their respective volume and price changes.

AMEX Most Active

Table listing AMEX Most Active stocks including US Banc, Hilti, and Intel with their respective volume and price changes.

NYSE Diary

Table showing NYSE trading diary with columns for Advancing, Declining, and Unchanged issues.

Amex Diary

Table showing Amex trading diary with columns for Advancing, Declining, and Unchanged issues.

NASDAQ Diary

Table showing NASDAQ trading diary with columns for Advancing, Declining, and Unchanged issues.

Dow Jones Averages

Table showing Dow Jones Averages for various indices including Industrial, Chemical, and Utility.

Standard & Poor's Indices

Table showing Standard & Poor's Indices for Industrial, Chemical, and Utility.

NYSE Indexes

Table showing NYSE Indexes for Composite, Industrial, and Utility.

NASDAQ Indexes

Table showing NASDAQ Indexes for Composite, Industrial, and Utility.

AMEX Stock Index

Table showing AMEX Stock Index for High, Low, and Close.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages for 30 Bonds, 10 Utilities, and 10 Industrials.

Market Sales

Table showing Market Sales for NYSE, Amex, and NASDAQ.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading for various months.

S&P 100 Index Options

Table showing S&P 100 Index Options for various months.

EUROPEAN FUTURES

Table showing European Futures for various commodities like Wheat, Soybeans, and Corn.

Food

Table showing Food futures for various items like Soybeans, Corn, and Wheat.

Industrials

Table showing Industrial futures for various metals like Aluminum and Copper.

Stock Indexes

Table showing Stock Indexes for various international markets.

Spot Commodities

Table showing Spot Commodities for various raw materials.

Dividends

Table showing Dividends for various companies.

Financial

Table showing Financial data for various currencies and interest rates.

U.S. FUTURES

Table showing U.S. Futures for various commodities like Wheat, Soybeans, and Corn.

Metals

Table showing Metals futures for various metals like Aluminum and Copper.

Livestock

Table showing Livestock futures for various animals like Cattle and Hogs.

Financial

Table showing Financial data for various currencies and interest rates.

Food

Table showing Food futures for various items like Soybeans, Corn, and Wheat.

Stock Indexes

Table showing Stock Indexes for various international markets.

Commodity Indexes

Table showing Commodity Indexes for various raw materials.

Market Guide

Table showing Market Guide for various financial instruments.

UAL Opposes British Air-USAir Tie

ELK GROVE, Illinois (Bloomberg) — United Airlines Monday became the last of the three largest U.S. carriers to oppose a proposed \$750 million investment in British Airways.

UGI Moves to Acquire QFB Partners

VALLEY FORGE, Pennsylvania (Reuters) — UGI Corp. said it had signed agreements with Quantum Chemical Corp. and a First Boston Corp. affiliate to acquire the equity in QFB Partners.

May and Woolworth Earnings Rise

NEW YORK (UPI) — The May Department Stores Co. and Woolworth Corp., two major U.S. retail firms, reported higher second-quarter earnings on Monday.

P & G Posts Higher Sales and Profit

CINCINNATI (AP) — Procter & Gamble Co. reported a 12 percent rise in its fourth-quarter earnings worldwide despite product investment costs and sluggish economies.

Ford Chairman Knows His Successor

DEARBORN, Michigan (AP) — The president of Ford Motor Co. Harold Ford, said Monday for the first time that he knew who his successor would be, but did not disclose the identity.

For the Record

Eddie Antar, co-founder of the defunct Crazy Eddie Inc., was charged with racketeering conspiracy in a new indictment, the government announced. Mr. Antar faces 100 years in prison and fines of up to \$160 million if found guilty.

Dollar Edges Lower, Central Banks Stay Out

NEW YORK — The dollar lost a little more ground against the Deutsche mark on Monday after central banks failed to intervene to halt the currency's slide.

"Although sentiment was bearish all day, most people expected the central banks to intervene at the 1.4600-mark level," said a trader in the market as long as the dollar's decline was gradual.

Last week, Bundesbank president Helmut Schlesinger said the coordinated central bank intervention on July 20 was merely to restore "orderly markets" and the banks were not attempting to target any specific level.

"I don't think there's enough velocity in this move to warrant intervention," said Erik Lehtis, chief trader at Credit Agricole. "The Fed doesn't seem to have any particular level it wants to defend and is more concerned about the rate of change."

Barring significant intervention, the dollar will remain stuck between 1.46 and 1.48 DM until more economic data arrives later in the week, traders said.

The dollar was little changed against most European currencies. It edged lower to 1.3135 Swiss francs from 1.3145 francs, and slipped to 4.9490 French francs from 4.9860 francs.

The pound rose to \$1.9315 from \$1.9275. In London earlier, the dollar was slightly firmer, at 1.4675 DM, up from 1.4585 DM on Friday, and at 128.03 yen, up from 127.61 yen.

WORLD STOCK MARKETS

Large table showing world stock markets for various cities including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Sao Paulo, Zurich, Tokyo, and others.

Rising Supply Hits Oil Prices

NEW YORK — September crude oil futures ended lower Monday after dipping below the \$21 a barrel level, pressured by rising supply.

On the New York Mercantile Exchange, the September contract ended at \$21.02 a barrel, down 20 cents from Friday and off the day's low of \$20.95.

Oil prices retreated on evidence of generous supply at a time when the sluggish performance of the Western economies is seen as likely to brake demand for petroleum.

The Middle East Economic Survey, a newsletter, reported that oil output by the Organization of the Petroleum Exporting Countries reached 24.145 million barrels daily in July. It said that there had been a " hefty" increase since June of 415,000 barrels.

Market Closed in Singapore for a Holiday

The stock market in Singapore was closed Monday for a holiday.

Stockholm

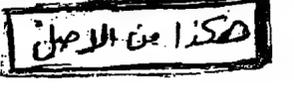
Table showing Stockholm stock market data.

Toronto

Table showing Toronto stock market data.

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GE Subsidiary Buys Europe's Avis Lease

Compiled by Our Staff From Dispatches
BRUSSELS — General Electric's GE Capital Fleet Services unit has acquired the car-leasing and fleet management activities of Avis Europe PLC, the companies said Monday.

The subsidiary, Avis Lease, has assets of about \$950 million, and 120,000 vehicles under contract in 44 European countries.

GE Capital Fleet said it had also acquired the right to the Avis Lease name, which it will continue to use in Europe. The financial terms of the transaction were not disclosed.

D'Leeren NV of Belgium said that shareholders of Cliva Holdings PLC, the D'Leeren subsidiary that holds 100 percent of Avis Europe, had subscribed to a \$50 million (\$96.3 million) subordinated loan issue following the sale.

Avis Europe was spun off from its U.S. parent in 1986, when the rental car concern underwent a leveraged buyout.

D'Leeren has a 65 percent stake in Cliva. General Motors Corp. holds 26 percent and Avis Inc. 9 percent.

The sale will allow Cliva to pay off the debt associated with the purchase of Avis Europe in 1989, D'Leeren said.

GE Capital Fleet said the addition of the Avis unit made it the largest corporate fleet-management company in the world, with over 620,000 vehicles under leasing and fleet-management contracts.

Avis Europe will continue short-term car rental operations, the announcement said.

The European activities of Avis Lease, based in Brussels, have annual revenue of about \$576 million and employ about 1,000 people in 47 offices throughout Europe.

GE Capital Fleet Services is part of General Electric Capital, which has various financial activities, and specializes in the financing of fleets, the management of maintenance and assistance in the event of accidents. (AFP, Reuters)

VW Cuts Workweek
 Volkswagen AG said Monday it had agreed with unions to reduce the workweek at its domestic plants by one hour, to 36 hours, beginning April 1, 1993. Reuters reported from Wolfsburg, Germany.

A company statement said workers on the normal, two-shift system would work seven hours and 36 minutes each shift, 12 minutes less than before. Workers on the three-shift system will continue to work eight hours. Individuals will arrive at the 36 weekly hours by having 12 additional days off during the year.

The change will only affect VW's six domestic plants, with around 125,000 employees. By Oct. 1, 1995, VW and its unions have agreed weekly working hours should drop to 35 hours.

Separately, VW said its deliveries of vehicles for the six months ended June 30 rose 5.5 percent, to 1.86 million from the year-earlier period.

Italy Sell-Off: Where's the Market?

Banks Seen Ending Up With Bulk of Privatized Shares

AFP-Extel News
MILAN — Italy's major banks will probably hold the bulk of the shares being sold through privatization, analysts predicted Monday, because of the stock market's weakness.

"The depressed Italian stock market cannot possibly absorb billions of lire worth of shares which will soon be issued through privatization," said Fabrizio Manenti of Gamba Azzoni. "The only substantial source of privatization funding is the major banks, which are under government control."

The privatization program calls for the sale of 7.5 trillion (\$6.7 billion) lire of shares this year in order to cut the deficit. The sale of real estate and corporate assets between 1993 and 1995 is slated to raise an additional 42 trillion lire.

Italy hopes to earn 4 trillion lire by the end of 1992 by selling stakes in Inasim per la Ricostruzione Industriale, the industrial holding company; Ente Nazionale Idrocarburi, the state energy company; Ente Nazionale per l'Energia Elettrica, a power company, and Istituto Nazionale delle Assicurazioni, an insurer.

The government is either a shareholder in such major banks as Credito Italiano and Banca Commerciale Italiana through holding companies, or appoints banks' management.

Mr. Manenti said, "The banks will hand the government cash for the shares and then have to wait for the stock market to pick up to sell them to investors."

He agreed with other analysts who believe the stock market was unlikely to pick up in the medium term without some major tax incentives.

The banks, whose portfolios are often packed with unsold shares from ill-fated underwritings that they were pressured into supporting, will probably have to hold onto privatization shares for quite a while since the Milan stock exchange shows no sign of imminent recovery, a bank economist said.

But Guido Rossi, general manager of Assicurazioni Generali SpA, said the stock market would be irrelevant to the privatizations because it was too weak and had no realistic chance of revival even after the introduction of tax incentives.

"People forget that the stock market is the least used of the sources of finance," he said. He added that he believed the banks would be the big force behind the privatization program.

Polygram To Buy U.S. Film Firm

Compiled by Our Staff From Dispatches
AMSTERDAM — Polygram NV, 80 percent owned by Philips Electronics NV, said Monday it would expand its film production business by acquiring a 51 percent stake in Interscope, a profitable, low-budget Hollywood company.

Polygram will initially pay \$35 million for the majority stake and for the services of Interscope's chairman, Ted Field, and chief operational officer, Robert Cort. The companies said they hoped to complete the deal by September.

Interscope's cost-to-revenue ratio is better than the industry average, and the \$16 million average cost of its films is well below the industry norm, Polygram said. The aim is to continue producing low-cost films, it said.

Interscope has made more than 25 movies, including titles such as "Cocktail" and "Three Men and a Cradle," which have generated revenues of about \$1 billion over the last eight years.

The agreement calls for Interscope to produce eight films in the next two years, rising to as many as 10 in 1997.

Provisions in the contract allow Polygram to limit its working capital exposure if existing production units and Interscope perform significantly below expectations, Polygram said.

Last week, Philips posted second-quarter net income of \$2 million, down from \$4 million a year earlier.

Meanwhile, Ian McLod, an analyst at County NatWest in London, downgraded Philips to "sell" from "hold," saying the Dutch electronics company had dressed up weak second-quarter earnings with the help of significant property gains.

Mr. McLod cut his net earnings forecasts for Philips to 670 million guilders from 750 million for 1992. (Reuters, Bloomberg, AFP)

Investor's Europe

Frankfurt DAX 1900	London FTSE 100 Index 2600	Paris CAC 40 2100
1800	2700	2000
1700	2500	1900
1600	2400	1800
1500	2300	1700
M A M J J A	M A M J J A	M A M J J A
1992	1992	1992

Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	114.00	115.90	-1.64
Brussels	Stock Index	5,990.03	5,834.91	-0.80
Frankfurt	DAX	1,982.55	1,809.50	-1.87
Frankfurt	FAZ	628.09	635.66	-1.19
Helsinki	HEX	675.37	682.54	-1.05
London	Financial Times 30	1,731.80	1,774.20	-2.39
London	FTSE 100	2,325.70	2,350.10	-1.04
Madrid	General Index	213.86	215.50	-0.76
Milan	MIB	798.00	817.00	-2.33
Paris	CAC 40	1,765.22	1,777.27	-1.24
Stockholm	Affarsvaerlden	911.42	935.35	-2.56
Vienna	Stock Index	346.88	354.14	-2.05
Zurich	SBS	631.50	634.80	-0.52

Sources: Reuters, AFP
 International Herald Tribune

Housing Unit Aids WestLB's Profit

Compiled by Our Staff From Dispatches
DUSSELDORF — Westdeutsche Landesbank Girozentrale on Monday reported a 25.3 percent rise in first-half group operating profit, helped by the inclusion of results from a housing construction agency.

"Despite the still difficult interest rate situation and slowing economic growth, we have improved our profits," said Friedel Neuber, the bank's chief executive.

Group operating profit rose to \$84 million Deutsche marks (\$395 million) in the half. Group partial operating profit, excluding profit for trading on the bank's own account, rose 24 percent, to 470 million DM.

Without the contribution of Wohnungsbauförderungsanstalt, the housing agency that was consolidated within the WestLB at the beginning of the year, group operating profit would have risen only 11.1 percent.

The bank outperformed Germany's largest banks. Commerzbank posted a 17.4 percent rise in operating profit for the half, and Dresdner Bank reported a 15 percent gain. Deutsche Bank's profit fell 3.2 percent in the same period.

WestLB also said it expected 1992 group operating profit to exceed its 1991 performance, despite the "difficult environment."

Mr. Neuber said profit growth was especially noticeable in the area of loans to clients. Overall lending rose 11.7 percent in the half, to 112.8 billion DM, mainly because of an increase in credits to German firms, private clients and German public authorities.

The bank also said its earnings had been boosted in the first half by higher returns in its interest rate business and sharply higher trading profits.

Comparisons for the first half were made with figures representing one-half of 1991's total profit.

Net interest earnings rose 17.5 percent, to 1,208 billion DM. Net earnings on commissions rose 14.4 percent, to 172 million DM, while administrative costs climbed 16.4 percent, to 547 million DM.

(Reuters, Bloomberg, AFP)

U.K. Consumers Continue to Pare Debt

Compiled by Our Staff From Dispatches
LONDON — Outstanding consumer credit fell a seasonally adjusted £135 million (\$260.2 million) in June, the Central Statistics Office reported Monday, as British households continued a trend of debt reduction.

The drop in June, to a total of £29,862 billion, followed a £19 million decline in May and was the largest since December, the statistics office said.

The June decline far exceeded a consensus market forecast of £23 million. Consumer credit has now declined in 10 of the last 11 months.

"It is now abundantly clear that the consumer is not about to spend more and lead Britain out of recession," said Nick Parsons, head of the treasury advisory group at the Canadian Imperial Bank of Commerce.

The decrease was posted despite a month-on-month rise in new consumer loans, which totaled £4.15 billion in June, up from £3.77 billion in May.

Net consumer lending in June fell £55 million, following a £58 million rise in May, the statistics office said. Net consumer lending takes into account banks' revaluation of debts, mainly write-offs.

In a separate report, the Confederation of British Industry said that pay raises in Britain in the second quarter averaged 4.3 percent for the third quarter in a row. (AFP, Bloomberg, AFP, Reuters)

French Construction Off
 The volume of business in the French construction industry fell significantly in the second quarter, for both large and small projects, according to the national statistical office, INSEE, Bloomberg, Business News reported from Paris.

No improvement is forecast for the months ahead and further job cuts are likely, INSEE said, reporting on its survey of 2,000 construction businesses.

The proportion reporting their recent level of activity as weak rather than strong rose considerably, with the difference between the two sets of respondents rising to 46 percentage points on a seasonally adjusted basis in July from 29 points in April. INSEE said.

STOCKS: Shares in European Markets Trip After Prices Take Another Dive in Tokyo

(Continued from first finance page)

At a news conference after Tokyo trading ended, Mr. Hata said he was considering all possible measures to revive the stock market. He said he believed the market should rebound once signs of economic recovery emerged.

Mr. Hata said, however, that there were no measures that the Finance Ministry could "adopt directly that would influence the market." And he added, "Stock prices should be decided in the stock market."

Elsewhere in Asia, share prices in Hong Kong closed marginally higher in quiet trading. The Hang Seng Index, the market's key indicator of blue chips, finished at 5,874.54.

(Reuters, AFP, Bloomberg, AFP)

NASDAQ

Monday's Prices
 NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	Price	Change	Symbol	Price	Change
AA	100.00	0.00	MSFT	100.00	0.00
ABB	100.00	0.00	NVDA	100.00	0.00
ABC	100.00	0.00	ORCL	100.00	0.00
ABT	100.00	0.00	QCOM	100.00	0.00
ACB	100.00	0.00	SMI	100.00	0.00
ACC	100.00	0.00	TXN	100.00	0.00
ACE	100.00	0.00	UNM	100.00	0.00
ACF	100.00	0.00	WDC	100.00	0.00
ACG	100.00	0.00	YHFC	100.00	0.00
ACH	100.00	0.00			
ACI	100.00	0.00			
ACJ	100.00	0.00			
ACK	100.00	0.00			
ACL	100.00	0.00			
ACM	100.00	0.00			
ACN	100.00	0.00			
ACO	100.00	0.00			
ACP	100.00	0.00			
ACQ	100.00	0.00			
ACR	100.00	0.00			
ACS	100.00	0.00			
ACT	100.00	0.00			
ACU	100.00	0.00			
ACV	100.00	0.00			
ACW	100.00	0.00			
ACX	100.00	0.00			
ACY	100.00	0.00			
ACZ	100.00	0.00			
ADA	100.00	0.00			
ADB	100.00	0.00			
ADC	100.00	0.00			
ADD	100.00	0.00			
ADG	100.00	0.00			
ADH	100.00	0.00			
ADI	100.00	0.00			
ADJ	100.00	0.00			
ADK	100.00	0.00			
ADL	100.00	0.00			
ADM	100.00	0.00			
ADN	100.00	0.00			
ADO	100.00	0.00			
ADP	100.00	0.00			
ADQ	100.00	0.00			
ADR	100.00	0.00			
ADS	100.00	0.00			
ADT	100.00	0.00			
ADU	100.00	0.00			
ADV	100.00	0.00			
ADW	100.00	0.00			
ADX	100.00	0.00			
ADY	100.00	0.00			
ADZ	100.00	0.00			

AMEX

Monday's Closing Tables include the nationwide price up to the closing on Wall Street and do not reflect late trading elsewhere. Via The Associated Press.

Table with columns for stock symbols, company names, and prices.

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Notes: Shares are unaffiliated, various high and low bid/ask... Dividend declared or paid in preceding 12 months... Stock split, Dividend begins with date of split...

ADVERTISEMENT

INTERNATIONAL FUNDS

Aug. 10, 1992

Large table listing various international funds with columns for fund name, ticker symbol, and price. Includes sections for International Income Fund, International Equity Fund, and International Bond Fund.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

Handwritten note: 10/11/92

Large vertical advertisement on the right edge of the page, partially cut off, featuring the text 'Engine or Hatch' and 'TANAN: Shaky Opening'.

Li Engineers Deal For Hutchison Cash

By Laurence Zuckerman
International Herald Tribune

HONG KONG — Li Ka-shing surprised investors on Monday with a plan to raise 4.4 billion Hong Kong dollars (\$568 million) for Hutchison Whampoa Ltd. by tapping the stock market and his flagship company, Cheung Kong (Holdings) Ltd.

There have been persistent rumors that Mr. Li would seek capital for Hutchison either through a rights offering to current shareholders or a new stock issue, but his strategy seems to be a hybrid.

Cheung Kong, which now holds 40.2 percent of Hutchison, is to buy 300 million new shares at a price of 14.90 dollars each, a discount of nearly 4 percent to the Monday closing price of 15.50 dollars.

It will then sell 179.8 million existing shares of Hutchison to unidentified private investors at the same price, maintaining its holdings at 40.2 percent.

The companies said the new funds would be used to retire Hutchison's bank debt.

The announcement followed the announcement of a surprising half-year loss and a 20 percent cut in dividend by Hutchison last week, brought on by a \$183.7 million provision for the company's holding in Husky Oil Ltd. of Canada.

Like all of Mr. Li's moves, the deal was quickly examined by Hong Kong's financial community, which concluded, as usual, that Mr. Li was cleverly feathering his own nest.

"I don't think people will like this because it provides quite a lot of benefits to Cheung Kong and Li," said Kamming Wong, an analyst at S.G. Warburg Securities.

Mr. Wong and several other analysts noted the 120 million additional shares to be acquired by Cheung Kong is the same number covered by the first of two tranches of warrants that the company issued on Hutchison stock last year.

At that time, the Hong Kong stock market was depressed, and observers speculated Mr. Li was taking money out of equities because he believed things would get worse.

Since then, however, the Hong Kong market has become one of the best performers in the world, and there is considerably more enthusiasm in the local business community about the colony's economic future after it reverts to China's sovereignty in 1997.

Mr. Li himself recently signed letters of intent for his first significant investments on the mainland.

Recently, as a state of bad news has been announced by Hutchison, investors have begun to say that Mr.

Li was deliberately depressing the share price in order to discourage holders from redeeming their warrants when they come due in March.

Now, with the exercise price of 13.60 Hong Kong dollars clearly in the money, analysts say Mr. Li is obtaining the shares he needs to cover the warrants at an extremely attractive price.

"The market has gone up a lot in one and a half years, and yet he is able to get shares at \$14.90," Mr. Wong observed. "It's very sharp financial planning."

Pamela Bonnie, an analyst with Barclays de Zoete Wedd Securities, said the news was positive for Hutchison in the long term even though it may displease minority shareholders.

She estimated the share purchase represented nearly 40 percent of the net cash Cheung Kong will have by the end of the year. "It's pretty clear that Li sees the future of the company as positive, otherwise he wouldn't spend the money," she said.

Manila Ends Foreign-Exchange Curbs

Compiled by Our Staff From Dispatches

MANILA — President Fidel V. Ramos said Monday the Philippines would drop all foreign-exchange restrictions in a bid to bolster exports and increase foreign investment.

The decision, which the Central Bank said would take effect by Sept. 1, will lift regulations that had required exporters to sell 60 percent of their foreign-exchange earnings to banks.

There will be no restrictions on moving pesos in and out of the country, and Filipino individuals and companies will be allowed to invest up to \$1 million a year abroad without prior approval.

"This ends an era of over 40 years of foreign-exchange control in the Philippines," Mr. Ramos said at a news conference.

He said the move was a signal of his commitment to liberalize the Philippine economy and would make the country's foreign-exchange policy comparable to those of Hong Kong, Singapore and Indonesia and more liberal than those of Malaysia, Thailand and South Korea.

"This certainly is a strong signal to the international community that we the Filipinos are serious, if not more serious, in opening our doors to foreign investment," Mr. Ramos said.

Business executives, who have been waiting for new initiatives from the six-week-old Ramos government, welcomed the announcement and said they hoped it would prompt more liberalization.

"For the economy, this is very good because it should bring down the peso, thus making Philippine exports more competitive and improving the climate for foreign investment," said Conrad Andres, an analyst with Asia Equity.

Mr. Andres predicted the peso would ease to about 26 pesos to the dollar, from its current level of nearly 25 pesos to the dollar.

The government of former President Corason C. Aquino partially liberalized foreign-exchange regulations in December, allowing the retention of 40 percent of foreign-exchange earnings. Previously, those with foreign-currency earnings had been allowed to keep only 2 percent.

Aurelio Periquet, chairman of the Philippine Chamber of Commerce and Industry, said a weaker peso would trigger a surge in exports.

"We can expect the economy to take off and to improve by the year-end," he said.

Herbert Schumacher, the president of the European Chamber of Commerce in Manila, said he saw a more favorable picture emerging for exporters, but added that their major concern was the exchange rate.

"It sets the tone for what the new administration wants to achieve, a deregulated market," Mr. Schumacher said. "I hope the international community sees it in that light."

Separately, Mr. Ramos on Monday accepted the resignation of his executive secretary and energy adviser, Peter Garrucho.

No reason was given for Mr. Garrucho's departure.

(UPI, Bloomberg, Reuters, AFP)

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(UPI, Bloomberg, Reuters, AFP)

Ex-Soviet Republics Set Currency Plans

Compiled by Our Staff From Dispatches

MOSCOW — Two former Soviet republics on Monday unveiled plans to introduce their own currencies.

Azerbaijan on Saturday will introduce the manat, which will be worth 10 rubles (19 cents), the Interfax news agency quoted Prime Minister Vakhid Ahmedov as saying.

Meanwhile, Tajikistan has reached a preliminary agreement with Banknote Co. of Canada to print its new currency, TJAR-Tass reported. It was not clear when Tajikistan planned to introduce the currency, which may be called the somon.

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Indonesia Stokes Market for Its New, Cleaner 'Enviro-Coal'

By Matthew L. Wald
New York Times Service

An Indonesian mining company has begun marketing coal from a huge deposit in Borneo that has 80 percent less sulfur than the cleanest U.S. coal, allowing it to be blended with dirtier coal and burned without smogstack equipment used to control acid rain.

When burned, the Borneo coal produces less carbon dioxide than most coals. Carbon dioxide is believed to contribute to the "greenhouse effect," which could alter the earth's climate. If using the new coal eliminated the need for "scrubbers" that clean coal smoke, even less carbon dioxide would be created because the chemical process of removing sulfur from coal smoke also releases carbon dioxide.

Analysts are puzzled by the deposit in the Indonesian portion of the island of Borneo, which they say is the cleanest ever analyzed.

"It is pretty amazing coal," said Hugh W. Smith, director of fuels at Tampa Electric Co., in Florida, which burned tens of thousands of tons of it as a test this year. "It has some very different characteristics from a lot of the coals we've looked at."

Another specialist, A. Denny Ellerman, executive director of the Center for Energy and Environmental Policy Research at the Massachusetts Institute of Technology, said such low-sulfur coal was "very desirable for all sorts of blending purposes."

The coal is so clean, Mr. Ellerman said, that it is "like solid natural gas from a sulfur dioxide standpoint." Natural gas is almost free of sulfur, and some utilities are turning to that fuel to replace high-sulfur coal.

The Indonesian mining company, PT Adaro, has been digging out the clean coal for about a year at a mine in South Kalimantan, near the town of Tanjung. The area gets about eight feet (243 centimeters) of rain each year, and may have been even wetter over the tens of millions of years it took to form the coal. The rain may have played a role in the deposit's exceptional purity.

PT Adaro is now producing only about 2 million tons a year, but output is scheduled to rise to 8 million in coming years and eventually reach about 20 million.

The company is marketing the fuel as "enviro-coal."

A key question is whether more such clean coal is waiting to be found. PT Adaro has identified about 2 billion tons of the coal. The United States produces about 1 billion tons a year.

Coal specialists say that the Borneo mine, while modest in size, could supply power stations in the United States that are struggling to meet clean air rules, and could also threaten some U.S. exports of coal.

The Indonesian coal can fill a niche, said Rafael A. Villagran of Shearson Lehman Brothers. "We're going to find stiff competition getting coal into the Pacific rim," he said.

Modest quantities of the clean coal have already been sold to Japan, as well as to Spain and Scandinavia, said Frederick Murrell, the U.S. representative of PT Adaro.

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Investor's Asia

Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	5,874.54	5,850.93	+0.40
Singapore	Straits Times	Closed	1,424.59	-
Sydney	All Ordinaries	1,592.30	1,586.70	+0.35
Tokyo	Nikkei 225	15,066.34	15,518.27	-2.91
Kuala Lumpur	Composite	595.16	597.11	-0.33
Bangkok	SET	755.45	764.43	-1.17
Seoul	Composite Stock	507.88	494.35	+2.74
Taipei	Weighted Price	3,951.73	4,030.73	-1.96
Manila	Composite	1,446.65	1,462.76	-1.17
Jakarta	Stock Index	N.A.	312.73	-
New Zealand	NZSE-40	1,523.20	1,543.35	-1.31
Bombay	National Index	1,193.67	1,173.23	+1.76

Sources: Reuters, AFP

Very briefly:

- Coca-Cola Amstel Ltd., a bottler and soft-drink distributor, said first-half net profit after one-time items fell 35.5 percent, to 13.6 million Australian dollars (\$10 million), citing the recession and poor weather.
- Australia said it hopes to keep the budget deficit for the year that began July 1 to below 16 billion dollars, compared with 9.3 billion dollars a year earlier; the budget for the current year will be released next Tuesday.
- Bougainville Copper Ltd. of Papua New Guinea, which is 53.6 percent owned by the Australian resources concern CRA Ltd., reported a loss of 1.38 million kina (\$1.4 million) for the six months ended June 30.
- Hitachi Ltd. is planning to export flat-screen television sets and will soon start sample shipments to Taiwan and Europe; the company also said it would market cellular phones in China, mainly in the southern Fujian and Guangdong provinces, starting this autumn.
- Electric Power Development Co. of Japan will give desulfurization technology to two coal-powered electricity plants in China; concerns over the effects of acid rain from China spurred the move, a spokesman said.
- Hyundai Heavy Industries Co. won an order worth \$300 million from Saudi Arabia's state-run shipowner, Vela, for three supertankers.

AFP, Bloomberg, Reuters, AFP

Japan Group's Suit to Test Fair Trade

The Associated Press

TOKYO — A group calling for tough anti-trust action said Monday it would file a \$47 million damage suit this week in a case that could test Japanese commitments to the United States to work for fair trade.

The suit involves alleged *dango*, or bid-rigging consultations, among 66 companies in Saitama Prefecture north of Tokyo in \$625 million worth of public-works projects.

Japan's Fair Trade Commission ruled in May that the consultations were illegal and ordered the construction companies to stop colluding and to pay a fine to be determined later. But the decision

was viewed as a victory for the companies because it ruled out filing a criminal complaint.

Mr. Iwaki said the suit seeks to recover from the companies the \$47 million difference that allegedly existed between the fair price on the projects and the higher price that resulted from the bid-rigging. He said a key goal of the suit was to force the Fair Trade Commission to produce documents from its investigation that would support the damage claim.

Under U.S. pressure, the Fair Trade Commission said in 1991 that it would cooperate with court requests for documents. But that cooperation does not extend to documents that deal with internal FTC procedures.

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Taiwan Aerospace Said To Hold Talks With Bae

Reuters

TAIPEI — Taiwan Aerospace Corp. is in talks with British Aerospace PLC on possible cooperation in building passenger jets seating more than 100 passengers, industry sources said Monday. The Taiwan company declined to comment.

Several major aerospace companies, including the Airbus consortium and Boeing Co., have expressed interest in the possibility of ventures with Taiwan Aerospace, which is 29 percent owned by the government.

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TAIWAN: A Shaky Opening

(Continued from first finance page) ing what we can do in the future," he said.

The Ministry of Economic Affairs has said it intended to press ahead with the privatization of China Steel, selling 16 percent more of the company next year, though it is not clear how much of that will be made available to foreigners.

The privatization program is part of the government's ambitious financial liberalization, but it is also crucial to its plans to finance a \$303 billion six-year plan to revamp Taiwan's overtaxed and underdeveloped infrastructure.

China Steel and several other prospective privatization candidates are among Taiwan's biggest corporations, too large to be absorbed by the domestic market alone. But the government has not fully opened the island's financial market to foreigners, licensing only a limited number of international brokers and making it difficult to move foreign exchange in and out of the country.

Global depository receipts, which represent underlying shares but trade over the counter in international financial centers, would appear to be a perfect way for Taiwan to reach foreign investors.

But international brokers say Taiwan's financial restrictions make it difficult for foreign investors to move back and forth between local China Steel shares and the GDRs, keeping the prices of the two in line.

Meanwhile, a clause allowing the China Steel GDRs to be converted to local shares after three months, along with the prospect of millions of dollars worth of new scrip coming next year, is depressing China Steel's local share price.

"It was just a bit too ambitious," said Peter Kurz, chief representative for Baring Securities Ltd. "A lot of this GDR is swishing around."

Mr. Kurz said it was unfortunate that the foreign issue was placed before the domestic. Foreigners took up the receipts and then local investors did not exercise their options to buy the new local shares, encouraging many foreigners to sell out once trading began, he said.

John Engle, president of Hoare Govett Securities Taiwan Ltd., one of the few brokers not to give the GDR a "buy" recommendation, said that in their enthusiasm for a new product, many brokers ignored the company's fundamentals. Although it is well-managed, China Steel has been losing market share in recent years, a trend that will continue in the future as Taiwan lowers its import tariffs in a bid to join General Agreement on Tariffs and Trade, he said.

(AP, AFP)

(AP, AFP)

NYSE

Monday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Symbol	Price	Symbol	Price
AA	31 1/2	W	42 1/2
AAE	31 1/2	WJ	42 1/2
AAE	31 1/2	WJ	42 1/2
AAE			

SPORTS BASEBALL

Pitching Cools Off, Pirates Win a 10th On Merced's 4 RBIs

The Associated Press
Pitching had been the biggest reason for the Pittsburgh Pirates' nine-game winning streak. In the 10th triumph, it was Orlando Merced's bat.

"We've got to pick each other up," Merced said Sunday after driving in four runs in a 7-5 victory over the Cardinals in St. Louis. The Pirates' winning streak is their season high and their longest since 1969.

The NL East leaders also have beaten the Cardinals 10 consecutive times and 12 of 14 this season. The Pirates completed their second four-game sweep in as many weeks against the Cardinals, beating them four in a row at Busch Stadium for the first time since 1983.

The Cardinals scored only 13 runs in the 10-game losing streak to Pittsburgh and getting more than two runs for the first time in the slump didn't help.

"We're playing real good baseball and things are going well for the team," Merced said. "It just happens the team we're playing is the Cardinals."

Twelve of his 44 RBIs have come against the Cardinals. He hit a two-run double in the first inning Sunday, a sacrifice fly in the third and got an infield hit on a slow roller that stopped on the third-base line for another RBI in the fifth.

Padres 4, Astros 3: In San Diego, Gary Sheffield got two hits for the sixth straight game and Jerald Clark hit a tie-breaking, two-run homer in the eighth against Houston.

Craig Biggio homered on the first pitch of the game from Craig Lefferts, but the Padres bounced back and matched their longest winning streak of the season. They are 7-0 at home against Houston this season following their four-game sweep.

Cubs 6, Mets 2: Mike Harkey scattered six hits in six innings and

Chicago handed visiting New York its sixth straight loss. Eight of the Cubs' 12 hits were for extra bases, starting with Joe Girardi's fly to right in the second inning that Daryl Boston misjudged for a triple.

In earlier games, reports on which appeared in some Monday editions of the International Herald Tribune:

Braves 10, Dodgers 3: In Atlanta, Sid Bream drove in four runs against Los Angeles for the second consecutive game and Tom Glavinc won his 11th straight decision as he pitched the Braves to their ninth consecutive victory.

Giants 7, Reds 1: Matt Williams homered and drove in four runs as San Francisco won in Cincinnati, which got only three hits.

Expos 6, Phillies 2: Gary Carter hit his 26th home run in Veterans Stadium, the most there by a visiting player, as Montreal won in Philadelphia.



Barry Bonds scored a hard run for the Pirates in the first inning.

2 More Brett RBIs Help Royals Win

The Associated Press
Dave Stewart had a tough time getting George Brett out, but he expects that particular difficulty to continue.

"At 50 years old, he'll be tough to get out. He's always been tough, and he always will be," Stewart said after Brett's two-run double upped his runs-batted-in total to 1,500 in the Kansas City Royals' 5-2 victory Sunday over the Athletics in Oakland.

Brett's two-out hit in the third left him in 34th place on the career list, nine behind Mickey Vernon.

Kevin Appier, who beat the Athletics for the first time in three starts this season, stopped the A's seven-game winning streak.

Appier, who has won 10 of 11 decisions, allowed two runs and three hits in 5 2/3 innings with a season-high six walks and four strikeouts.

Brewers 4, Twins 2: B.J. Surhoff got three hits in Milwaukee as Chris Bosio won his fourth straight since the All-Star break, giving Minnesota its fifth loss in six games.

Bosio allowed six hits in seven innings, struck out three and walked two. Doug Henry threw a hitless ninth for his 23rd save in 26 chances.

Mariners 6, Rangers 5: Tino Martinez singled with the bases loaded in the 14th at Seattle, playing at home, got help from Texas in ending a seven-game losing streak.

Edgar Martinez reached second on third baseman Dean Palmer's feldling error and took third when Matt Whitehead threw a wild pitch over the head of catcher Ivan Rodriguez during an intentional walk to Ken Griffey Jr.

Lance Parrish lined out, Griffey took second on defensive interference and Whiteside walked Jay Buhner, leading the bases for Tino Martinez.

White Sox 12, Angels 8: — Ron Karkovics singled off Scott Bailes to break a 14th-inning tie, and Esteban Beltré followed with a two-run single as Chicago got a season-high 20 hits and won in Anaheim, California.

The White Sox won for the 10th time in 12 games despite a season-high five errors that led to six unearned runs. Lance Johnson extended his hitting streak to 23, the longest in the majors this season, and Frank Thomas extended his to 19 with a three-run homer.

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SIDELINES

NHL's Kordic Dies During Arrest

QUEBEC (AP) — John Kordic, 27, a National Hockey League "enforcer" who had battled alcohol problems, has died after being subdued by police officers in a Quebec City motel room.

Kordic, a veteran of four NHL teams, confronted police late Sunday night after creating a disturbance in his room, the police said Sunday.

Police said Kordic was then put in an ambulance and he died en route to a hospital. An autopsy Sunday afternoon found Kordic died of lung failure related to malfunctioning of the heart.

FIFA: Maradona Dispute Continues

STOCKHOLM (Reuters) — Sweden's leading striker, Tomas Brodin, will be unable to play for at least six weeks following a knee operation, the Swedish national team's physician, Jan Elstrand, said Monday.

Brodin injured his right knee after colliding with another player during Sweden's match against Australia at the Olympics.

The Swedish soccer federation said Monday that international striker Johnny Elström had been transferred to the English premier division club Chelsea from IFK Gothenburg. No details were given.

A quick solution to Diego Maradona's contractual dispute with the Italian soccer team Napoli appears unlikely, FIFA's general secretary, Sepp Blatter, said in an interview published Monday in the Naples-based daily Il Mattino.

Italian Boat Sets Atlantic Record

LONDON (AP) — The Italian powerboat Descriero, backed by the Aga Khan, has won the Virgin Atlantic Challenge Trophy by crossing the ocean in a record time of 38 hours, 34 minutes, 4 seconds.

The 67.3-meter (222-foot) Descriero, which cost more than \$40 million, left New York on Thursday and passed the finishing point at Bishop's Rock at 5:14 A.M. Sunday.

The previous record of 79 hours, 54 minutes was set by the catamaran Hoverspeed Great Britain in 1990. She received, and retains, the coveted Hales Trophy, better known as the Blue Riband, since she was classed as a commercial vessel.

Belgium's Descampe LPGA Winner

STRATTON MOUNTAIN, Vermont (AP) — Florence Descampe of Belgium won her LPGA first tournament, and \$75,000, Sunday after less than a year on the tour.

Descampe, 23, shot a final round 67, after starting two strokes behind tour's leading money-winner, Dottie Mochrie, and the overnight co-leader, Cindy Rorick.

Dan Forsman won the Buick Open in Grand Blanc, Michigan, with a four-foot (1.2-meter) putt for par on the second hole of a sudden death playoff with Australian Steve Elkington and the tournament's defending champion, Brad Faxon.

A Lengthening Injury List

Tennis player Aaron Krickstein is to have surgery Wednesday on a bone in his left foot, broken in the semifinals of the Volvo Tennis-Los Angeles tournament.

Starting quarterback John Friesz, who tore a knee ligament in the exhibition opener, may be lost for the season, the San Diego Chargers said Sunday.

Shortstop Craig Grebeck of the Chicago White Sox broke a bone in his foot and will be out the rest of the baseball season. Grebeck was replacing Ozzie Guillen, already is out for the season after undergoing reconstructive knee surgery.

For the Record

Ferrari is trying to recruit three-time world champion Ayrton Senna to drive its next season, a spokesman for the Italian Formula One team confirmed Monday.

NATIONAL LEAGUE

They won 11 in a row in 1978. The club record is 16 straight, set in 1909.

The NL East leaders also have beaten the Cardinals 10 consecutive times and 12 of 14 this season. The Pirates completed their second four-game sweep in as many weeks against the Cardinals, beating them four in a row at Busch Stadium for the first time since 1983.

The Cardinals scored only 13 runs in the 10-game losing streak to Pittsburgh and getting more than two runs for the first time in the slump didn't help.

"We're playing real good baseball and things are going well for the team," Merced said. "It just happens the team we're playing is the Cardinals."

Twelve of his 44 RBIs have come against the Cardinals. He hit a two-run double in the first inning Sunday, a sacrifice fly in the third and got an infield hit on a slow roller that stopped on the third-base line for another RBI in the fifth.

Padres 4, Astros 3: In San Diego, Gary Sheffield got two hits for the sixth straight game and Jerald Clark hit a tie-breaking, two-run homer in the eighth against Houston.

Craig Biggio homered on the first pitch of the game from Craig Lefferts, but the Padres bounced back and matched their longest winning streak of the season. They are 7-0 at home against Houston this season following their four-game sweep.

Cubs 6, Mets 2: Mike Harkey scattered six hits in six innings and

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE			
Team	W	L	Pct.
Toronto	65	46	.586
Baltimore	63	48	.568
Milwaukee	60	50	.545
Boston	57	53	.519
Detroit	52	61	.461
New York	51	60	.457
Cleveland	49	62	.441
WEST DIVISION			
Oakland	67	44	.604
Minnesota	64	47	.577
Chicago	57	55	.509
Texas	57	57	.500
Kansas City	49	63	.437
California	49	63	.437
Seattle	43	70	.381
NATIONAL LEAGUE			
Team	W	L	Pct.
Pittsburgh	63	48	.568
Atlanta	61	50	.552
Chicago	55	56	.495
New York	51	59	.461
St. Louis	47	63	.428
Philadelphia	47	63	.428
WEST DIVISION			
Atlanta	67	42	.615
San Diego	62	47	.573
San Francisco	61	48	.561

Sunday's Line Scores

Team	Score	Opponent	Score
San Francisco	52	Los Angeles	46
Houston	45	Los Angeles	27
Los Angeles	44	Los Angeles	27
Toronto	6	Detroit	1
Chicago	5	Chicago	2
Philadelphia	6	Pittsburgh	2
San Diego	6	San Diego	2
St. Louis	6	St. Louis	2
Atlanta	6	Atlanta	2
San Francisco	5	San Francisco	2
Los Angeles	5	Los Angeles	2
San Diego	5	San Diego	2
St. Louis	5	St. Louis	2
Atlanta	5	Atlanta	2
San Francisco	5	San Francisco	2
Los Angeles	5	Los Angeles	2
San Diego	5	San Diego	2
St. Louis	5	St. Louis	2
Atlanta	5	Atlanta	2

AMERICAN LEAGUE

Team	Score	Opponent	Score
Toronto	7	Los Angeles	5
Chicago	5	Chicago	2
Philadelphia	6	Pittsburgh	2
San Diego	6	San Diego	2
St. Louis	6	St. Louis	2
Atlanta	6	Atlanta	2
San Francisco	5	San Francisco	2
Los Angeles	5	Los Angeles	2
San Diego	5	San Diego	2
St. Louis	5	St. Louis	2
Atlanta	5	Atlanta	2

NATIONAL LEAGUE

Team	Score	Opponent	Score
Pittsburgh	7	Atlanta	3
Chicago	5	Chicago	2
Philadelphia	6	Pittsburgh	2
San Diego	6	San Diego	2
St. Louis	6	St. Louis	2
Atlanta	6	Atlanta	2
San Francisco	5	San Francisco	2
Los Angeles	5	Los Angeles	2
San Diego	5	San Diego	2
St. Louis	5	St. Louis	2
Atlanta	5	Atlanta	2

CHESS

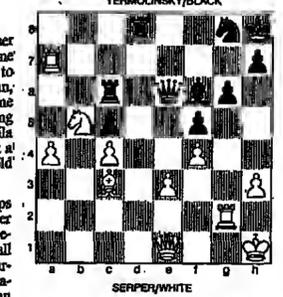
By Robert Byrne

THE Olympiad success of the former Soviet Republics that have become independent nations is not difficult to explain. That six — Russia, Uzbekistan, Armenia, Latvia, Georgia and Ukraine — made it into the top 10 places among the 102 nations competing in Manila from June 7 to 25 made it plain what a surfeit of talent lay buried in the old Soviet Union.

The Soviet Union did not — perhaps could not — send all of its grandmaster potential abroad to win their spurs because the very top players had first call on invitations. Moreover, Western tournament organizers would request a Kasparov, a Karpov, a Spassky, a Petrosian and so on. They were bound to neglect the unproven ones.

But now the untapped talents are getting their chance. One such, Gregory Serper, an international master on the Uzbekistan team, wound up his game with Alexey Yermolinsky, a New Jersey grandmaster, with a combination that showcased his skill.

It was not a good idea to exchange off Black's most important center pawn with 6...e7. Maybe Yermolinsky flirted with 7...Nc4 but did not care for 8 Nf3 Bb4 9 Kf1 Nc7 10 Qe1 Nb1 11 Qh4, which would have led Black into a deficit of two minor pieces for a rook.



Position after 37... Qe6

It took Serper time to get his rooks lined up with 22 Rg3 to prepare an attack against g7, but he had no need to worry about counterattacks originating from Black's passive position.

On 23 Nd4, Yermolinsky should have remained passive with 23...Qe7 and devoted his forces exclusively to the defense of his king. Instead, he tried for activity with the misplaced 23...a7! 24 b4 a3?! He lacked the means to back up this thrust, so it was not surprising that Serper soon cut down the overbold a3 pawn with 30 Na3.

Once Serper had induced the diagonal-weakening 25...g6, he could use the b-file to invade the queen's wing with 28 Rb1 and 32 Rb7.

After Serper started pushing his passed pawn with 34 a4, his long-term advantage was evident. But Yermolinsky accelerated his own downfall with 37...Qe7, which Serper immediately pulverized with the ingenious rook sacrifice 38 Rg6!

Yermolinsky's defense, 38...Rd7, was ripped by 39 Bf6 Nf6 40 Ra8, after which there could have followed 40...Qe8 41 Rb8 Ne8 42 Rf6. Yermolinsky gave up.

ENGLISH OPENING

White	Black	White	Black
Serper	Yermolinsky	Serper	Yermolinsky
1 c4	d5	21 Rg1	Nf6
2 d4	e6	22 Rg3	Nd4
3 Bg2	Nf6	23 Nd4	a4
4 Nc3	Nf6	24 a3	Bc5
5 e3	e7	25 Bc3	g6
6 f4	e7	26 Bc3	Rc8
7 g4	e7	27 Bc3	bc
8 Nf3	Qb6	28 Rb1	c5
9 c3	O-O	29 Nc3	Qc8
10 O-O	Kh8	30 Na3	Bg2
11 Kh1	a5	31 Rg2	Ng6
12 b3	a6	32 Rb7	g5
13 a4	a5	33 Nf5	Rc5
14 Bb2	Rd7	34 a4	Qc8
15 Qd2	Bc7	35 Ra7	dc
16 Ne2	Nc5	36 c6	Rd8
17 Nd4	Nc5	37 Qe1	Qd7
18 h3	Nc5	38 Rg6	Rd7
19 Rf3	Rf6	39 Bf6	Nf6
20 Nc2	Rf6	40 Ra8	Resigns

BOOKS

FATAL SUBTRACTION: The Inside Story of Buchwald v. Paramount

By Pierce O'Donnell and Dennis McDougal. 576 pages. \$25. Doubleday, 666 Fifth Avenue, New York, New York 10103.

Reviewed by Jeffrey Toobin

CIVIL litigation tends to be expensive, tedious and frequently inconclusive. Want proof? Consider lawyer Pierce O'Donnell's all-too-realistic "Fatal Subtraction," the story of his representation of Art Buchwald in his effort to share in Paramount Pictures' windfall from the Eddie Murphy hit, "Coming to America."

Our story begins in 1982, when the columnist dashed off a two-and-a-half-page treatment of a story that came to be known as "King for a Day." It featured a 'king from a mythical African nation who comes to Washington to trade for arms, then winds up in the ghetto after he is overthrown in absentia. The king falls in love with a CIA call girl, regains his throne and the pair regrettably ever after. Paramount took an option on the story and promised Buchwald and his producer-partner Alain Bernheim a chunk of the net profits if the movie was (a) ever made and (b) profitable.

The deal fizzled, the option lapsed, and Buchwald forgot about it. Then in 1988, he went to a Martha's Vineyard movie palace for "Coming to America," which featured Murphy as a spotted African prince who comes to the States to find a bride to return to his country and throne. Buchwald seethed, for "C" in a sort of resembled "King for a Day." He turned to O'Donnell, who took the case on a contingent fee basis and hazled Paramount into court.

"Fatal Subtraction" is the story of that lawsuit — the whole story. Entire chapters consist of lightly edited court transcripts. In lieu of description and anecdote, O'Donnell and co-author Dennis McDougal "carboload" on rich helpings of court filings, letters and briefs.

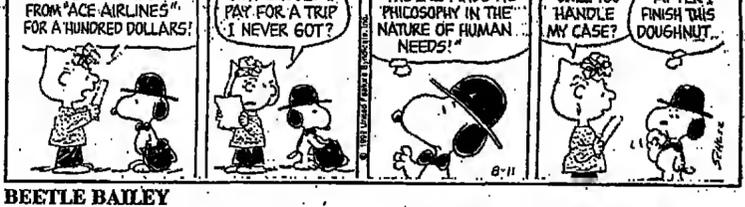
And despite O'Donnell's efforts to make this clash look like the final battle between good and evil, the core of Buchwald's case is not all that compelling. As others have before him, O'Donnell ridicules the laborious process by which studio executives codified "talent" and beleaguered scriptwriters stumble together to produce a Hollywood movie. But at least they do it. All Buchwald did was write his two-and-a-half pages.

Still, O'Donnell did succeed in persuading California Judge Harvey Schneider that Buchwald's very abbreviated idea played some role in the process that resulted in "Coming to America."

But the judge's final decision on damages amounted to a crushing disappointment for the Buchwald team: \$150,000 for Buchwald and \$750,000 for Bernheim. To put those numbers in some perspective, O'Donnell's unpaid fees amounted to \$3 million at press time — and the case is still on appeal.

Jeffrey Toobin, the author of "Opening Arguments: A Young Lawyer's First Case — United States v. Oliver North," writes this for The Washington Post.

PEANUTS



BEEBLE BAILEY



CALVIN AND HOBBES



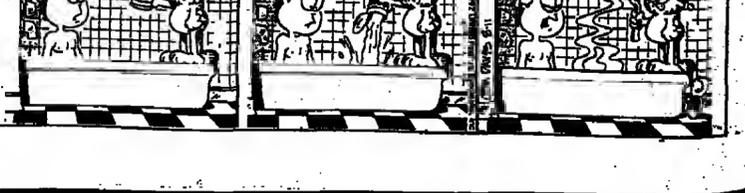
WIZARD OF ID



REX MORGAN



GARFIELD



DOONESBURY



DENNIS THE MENACE



JUMBLE

Unscramble these four jumbles, one letter to each space, to form four ordinary words.

ESHOR

MYNEE

IMPERR

TAFQAL

Now arrange the circled letters to form the scrambled answer, as suggested by the above cartoon.

Answer: IT'S A SCRAMBLED WORD GAME

Yesterday's Answer: SORRY HITCH VELLUM PARVOY
Answer: Where the scatted placed both feet — IN THE CLOUDS

السنة الثالثة

SPORTS OLYMPICS

The Real Winner Was Barcelona, Not the Athletes For Some, the Biggest of Games Added Up to Little

By George Vecsey

BARCELONA — The athletes never had a chance. No matter how well they jumped and ran and rowed, they could never dominate these Games.

The city won the Games. The people of Catalonia won the Games. Always, there were the fantastic spires of Sagrada Família shimmering in the background, or the fountains of Montjuïc, or the towers of Tibidabo in the distance.

Day or night, no matter how exercised we got over the Irish boxer or the Canadian rower or the African runners or the American basketball players, we always knew something was happening on the Ramblas. Somebody was cooking *calamari*. Somebody was pouring the *cava*. Somebody was singing. Real people were dancing the *sardana*, the sweet folk dance of Catalonia, in some haunting plaza. We could feel it. We could hear it.

Barcelona put on a tremendous Summer Games because it has been the city of the Olympic movement for 2,000 years or so, because in the era following the dictator Franco, the Catalan people are finding their voice and their creative spirit, and because they poured up the pesetas to build new roads and new facilities.

These Games reminded us that the Olympic movement is more than the sometimes callow youths who actually win the medals. At their best, the Games are a celebration of the people who stage them — every tripartite official, every cheerful volunteer, every police officer who sticks a mirror under your car, looking for bombs, and then sends you on your way with a solid "Vale, vale."

These Games remind a touring Yank just what a city should be. Yes, there was basketball and boxing in the hard shrub of Badalona, and yes, there were events out in the country, when lakes and open space were required, but the bulk of the games took place in Centre Ciutat, as it says in Catalan.

The world became aware that the Catalans are a separate people inside Spain, and this was the ultimate message of these Games: People are asserting their independence.

The Lithuanians and the Croats won medals in basketball but, at the same time, the Soviet Union has disappeared, which I find unbelievable. Journalists sit around and talk about how we miss the powerful Soviet anthem, but I get the feeling Sarunas Marcinionis does not miss it, not one bit.

The other side of independence is the slaughter going on in what used to be Yugoslavia. The Norwegian organizers of the 1994 Winter Games in Lillehammer are calling for all Olympic cities to come to the aid of Sarajevo, the stricken host of the 1984 Winter Games. One can only hope that Catalan pride and Spanish national security never produce another civil war.

Spain has come so far. Barcelona has come out of hiding. These urban Games had the mystical genius that produced Gaudi and Miró and Dalí. The opening ceremony was full of myth and pageant, using modern high-tech devices to tell the story of the people.

In the closing ceremony, the genius of Catalonia asserted itself again with a closing ceremony that would have stunned even as real entertainment unattached to the Games.

THE GAMES themselves went well. Carl Lewis came back to take two more gold medals, and Yael Arad won Israel's first medal ever, and the nation of conquistadors gave license to the headline writers to make every possible reference to the historical Spanish love of gold.

There were things I would have changed. I would love to find the morons who promised us a smoke-free Games and force them to inhale in every bus and stadium and restaurant and press room I visited.

We all know that multinationals have long since gobbled up the seats and the hotels and the spaces at the dock, and in return have hung ugly advertising all over the city. But soon enough, they will tear down the Olympic glitter and trash, and Barcelona will remain Barcelona.

Now the Summer Games move to Atlanta. Having lived and worked in the South, I know Atlanta to be a cultured and stylish place, with good bright people, but how can a "southern" town possibly compete with Barcelona? What myths, what gods, what legends, what history, can it evoke?

During these Games, many of us made jokes about Atlanta's themes. Will stock-car racing be a demonstration sport? Will the opening parade feature dancing soda bottles? Isn't it too soon after Los Angeles to be immersed in Americana?

The 1996 Games should never have been put in the United States in the first place, but the lazy-minded International Olympic Committee delegates gave in to the hard sell, the short airplane flight, the creature comforts.

I have total confidence that Atlanta will be able to come up with modern hotels and spiffy stadiums and upgraded interstates and perfect telephone lines. Atlanta now has four years to build a Ramblas, to come up with sidewalk cafes, to discover a folk dance as touching as the sardana, to encourage street life after sundown.

All I can say to Atlanta is "bona sort." Good luck. And all I can say to Barcelona is "Moltes gracies." Thanks a lot.

By Michael Janofsky

BARCELONA — Like other Olympics, the Games here generated themes for eternal storage. They presented the world enduring evidence of fading amateurism, rampant commercialism, political disorder, questionable sportsmanship and the occasional triumph of the human spirit.

Some were vastly more recognizable than others. Like a father leaping out of his seat in the Olympic Stadium to help his injured son finish a 400-meter race on the track, or the medal tables reflecting the ongoing power of the fading Soviet sports system.

But for now, nothing seems more identifiable with these Olympics than America's Dream Team of basketball players. They caught the building wave of Olympic professionalism, rode it into the Olympic podium and charmed almost everyone along the way. They were brought into the Games as the ultimate example of what the best can do, and fulfilled their mission.

These were also sold as the Olympics of peace and reunion, and they were. But like so many other aspects, this one unfolded within a certain symmetry that served as a

reality check. More countries than ever participated, and Olympic officials kept arranging for more. They found a way to get Yugoslavs here, but let them compete only as anonymous individuals.

Gail Devers, a valiant Olympian for overcoming Graves disease to win the 100-meter dash, suffered through accusations from a loser, who claimed she did it with drugs. The father who helped his injured son on the track elated us; the father who died in the same stadium during opening ceremonies as his son marched in saddened us.

So many other triumphant athletes — Chinese divers, Cuban boxers, American sprinters, former Soviet gymnastics, German kayakers, a Greek woman winning her country's first gold medal in track and field in 80 years — provided joy to thousands of spectators in a city inebriated with spirit over 16 days.

Yet their counterbalance was the sad faces of nonwinners, like Kim Zmeskal, America's sweetheart in gymnastics whose own heart was broken by winning only a bronze medal. Or Richard Chelimo, the Kenyan 10,000-meter runner who was de-

clared the winner after a protest, only to be returned to second after another.

Barcelona, itself, became a star of the Games, resplendent in spirit, beauty and late-night ambience. Yet often, Barcelonians found no tickets available to the more attractive events.

Four years ago in Seoul the Soviet Union won the most medals, East Germany was second and the United States third. Then, the Soviet Union disintegrated, and East Germany merged with West Germany. Not sure what to expect, the United States intensified its search for more money to hold its position.

But the results here with versions of a same team are likely to be temporary: a Unified Team in name only winning most of the medals, with 112; the Americans next, with 108, and the united Germans third, with 82.

It is in this context, the geopolitical, that probably projects the true significance of these Olympics. Just as they became the first gulp for China, which nearly doubled its medal output from Seoul, 28 to 54.

The Unified Team was a marriage of convenience, athletes from 12 former Sovi-

et republics competing together a last time and wearing forest green uniforms rather than the old familiar red. Four years from now, in Atlanta, each republic will have its own team, and their success will reflect how many coaches remain and how quickly they organize.

Immediate prospects seem dim. The coaches of the men's and women's gymnastics teams announced they would be seeking jobs in the West. Athletes and other coaches said they would, too. Some already have, like Sergei Bubka, the pole vaulter, who trains in Berlin.

Germany proved one plus one equals trouble. Amid squabbles, resentment and tension, the combined team failed to come close to the 102 won by East Germany and the 40 by West Germany in 1988.

Participating for the first time since the boycotted Olympics of 1980 in Moscow, Cuba followed China in the medal count, with 31. "That just shows we can still do great things despite our difficulties," said Javier Sotomayor, Cuba's gold medalist in the high jump.

But for how much longer? With a declining economy, the Cubans might relinquish

their position to other improving nations, like Hungary, France, Australia, Japan, North Korea and South Africa, back after 32 years. Spain won more medals, 22, than any other host country in a nonboycott year. In all, 64 countries won medals, compared to 32 four years ago.

The United States was also on the upswing. The total medal count, 108, was the third-highest in history, excluding the Games of 1984, which were boycotted, and 1904, which only nine other nations attended.

But the latest numbers are somewhat misleading. More than half the medals came in two sports, swimming and athletics, which is not unusual. What is unusual is that the U.S. Olympic Committee had gone to extremes over the last four years, upgrading all its sports federations through support programs and more direct aid to athletes.

The results hardly reflect mass improvement. In 15 of the 22 sports the Americans competed in Seoul, other than swimming and athletics, the number of medals won in Barcelona was the same or fewer. Only in seven did the total increase.

'Weird' Olympics: Why Sure Winners Stumbled in Track

By Christine Brennan

BARCELONA — Sergei Bubka lost. So did Michael Johnson. Mike Powell didn't win the event in which he holds the world record, Jackie Joyner-Kersey was also beaten in the long jump. Carl Lewis wasn't even running in the 100, which he had dominated for nearly a decade.

"Sergei Bubka, Michael Johnson, Gail Devers in the hurdles," Powell said. "It's been a weird Olympics. You can never count on anybody to win for sure, especially in the Olympics, because some people rise to the occasion and some people don't."

Only three gold medalists from the 1991 world track and field championships, held not quite a year ago in Tokyo, won gold medals in events here.

Marie-José Pérof of France won the 400 meters in Tokyo and won it

again here. Heike Henkel of Germany won the high jump in both cases, and Hassiba Boulmerka of Algeria repeated in the women's 1,500 meters.

Several world champions did not even qualify for their Olympic teams, including sprinter Katrin Krabbe of Germany and decathlete Dan O'Brien, high jumper Greg Foster, triple jumper Kenny Harrison and 400-meter runner Antonio Pettigrew, all of the United States.

Lackluster efforts undid Johnson in the 200 meters and Bubka in the pole vault. Britain's Liz McColgan was upset in the 10,000, and Joyner-Kersey had the same fate in the long jump, winning the bronze instead of the gold, although Germany's Heike Drechsler, the winner here, did win the silver in Tokyo.

"With the world championships, Olympic Games and world championship bioships back-to-back, it's a tough coaching situation," said Bobby Kersee, coach and husband of Joyner-Kersey. "There's high emotion, high training levels." The next world championships will be held next year in Stuttgart.

Another thing that's tough on international athletes is other international athletes. More money is now available in track and field than ever before, which means more athletes are staying in the sport longer.

It used to be that Olympic athletes would compete until they reached their mid-20s and then go on to other careers. Even Al Oerter was a delightful rarity, winning four consecutive Olympic gold medals in the discus. Now, several athletes over 30 have won gold medals here.

No one seems to want to retire. They earn millions in their sport, so why should they? Competing on a fourth or fifth Olympic team is almost commonplace these days.

Like any other professional sport, track and field benefits from the continued presence of its best athletes. The level of competition gets higher when the athletes get better and the stakes become greater.

Because track and field athletes can now earn a significant living, the sport occasionally steals a gem from another sport. This is what happened with Quincy Watts, the 22-year-old rising star of the 400 meters.

He was playing on the scou team for University of Southern California's football team two years ago. The Trojan's track coach begged him to run the 400. Watts acquiesced. Seventeen months ago, he ran his first serious 400. Now he is the Olympic gold medalist.

The occasion was as well. It happened in many sports here, and it happened in track and field.

Not so long ago, the Africans weren't a factor in the Games. Now, their men are stars in the running events from the middle distances on up. And Derarua Tulu, a 21-year-old from Ethiopia, became the first black woman from Africa to win an Olympic track and field gold medal when she won the 10,000.



ANOTHER OLYMPIC GAME — Quarterback John Elway, front, and his teammates on the Denver Broncos warmed up for practice Monday in Berlin, where on Sunday they will play the Miami Dolphins in an NFL exhibition game in Olympic Stadium.

Magic Determined to Return to NBA, Friends Say

By Harvey Araton

BARCELONA — Magic Johnson, according to two people who know him well, has decided that he is determined to return to the Los Angeles Lakers of the National Basketball Association, to whom he remains under contract, for approximately 60 of their 82 regular-season games next season.

"I'm going to want to get back with my wife and doctors, sit down and talk about it," Johnson said last weekend. "I'll take a physical, then we'll see."

[The Los Angeles Times reported Monday that it, too, had learned that Johnson had decided to return to the Lakers, pending

medical approval. But the Lakers' general manager, Jerry West, said, "I absolutely know nothing about it. No one has talked to us about it."

"I sure wish Magic would talk to us," West said. "It's important for him to talk to the press, but we would like for him to talk to us, too."

Johnson plans to meet this week with Dr. David Ho, who will examine him to see if there are any adverse effects from his Olympic participation. Asked if Johnson was physically able to return to the Lakers, Ho said, "Ultimately, it is his decision."

Johnson's current intentions aside, others who know him, like his agent, Lou Rosen,

say they will believe he is going to play when they see him in uniform at the Lakers' training camp the first week of October.

For one thing, his conviction about returning from the NBA has wavered throughout the 10 months since the announcement that he had contracted the virus that causes AIDS.

For another, as recently as late last month in Monte Carlo, he said he would meet with the NBA commissioner, David Stern, upon his return to the United States, hoping to arrange the purchase of an existing league franchise by a group of investors he would control.

Johnson has said that doctors have told

him there is no evidence that playing in the NBA would threaten his condition, provided he is careful about getting rest and maintaining a proper diet. He said the doctors' advice that he retire in November was precautionary.

"They ever had dealt with a big, strong athlete like me before," he said.

There has been some concern on the part of Johnson's closest friends that, because he wants to play so much, he is hearing from the doctors what he wants to hear. What ultimately might also weigh on Johnson is the realization that even a 60-game NBA schedule would be far more strenuous than what he experienced preparing for and playing in the Olympics.

OLYMPIC NOTEBOOK

Reynolds Ban Extended

BARCELONA (AP) — Burt Reynolds, the world record-holder at 400 meters who defied a two-year ban by competing in the U.S. Olympic trials, had the suspension extended Monday until the end of the year by the International Amateur Athletic Federation.

His original suspension was to end Tuesday. Now, he will not be eligible to return to competition until Jan. 1.

The IAAF Council voted to extend the suspension because Reynolds brought "the sport into disrepute."

Reynolds, told in Columbus, Ohio, about the IAAF action, called it "very vindictive, due to the fact that I went to the highest court in the country to get my rights."

"I did nothing wrong. I did nothing wrong three years ago. I did nothing wrong today."

Reynolds was suspended Aug. 12, 1990, after allegedly testing positive for steroids at a meet in Monte Carlo. He has maintained his innocence and fought his case through the U.S. courts and, in June, the U.S. Supreme Court gave Reynolds clearance to run in the trials at New Orleans.

Javelin Mark Rejected

BARCELONA (AP) — Jan Zeleny's javelin throw of 94.74 meters (311 feet, 10 inches) was rejected as a world record Monday by the IAAF because his javelin did not conform with its standards.

Zeleny, the Olympic champion from Czechoslovakia, made the throw during a meet at Oslo on July 4.

Had it been ratified by the IAAF Council, it would have broken the mark of 91.46 meters set by Britain's Steve Backley in Auckland, New Zealand, on Jan. 25.

Zeleny, using a javelin that met IAAF standards, set the Olympic record of 89.66 meters in winning the gold medal.

5th Athlete Fails Test

BARCELONA (Reuters) — A fifth athlete, Lithuanian women's long jumper Nijole Medvedeva, tested positive for a banned drug at the Barcelona Olympics, the International Olympic Committee said Monday.

Medvedeva, 32, tested positive for the stimulant mesocarb after she finished fourth in her event on Friday, said the IOC spokeswoman, Michele Verdier.

2d Athlete's Father Dies

BARCELONA (AP) — The father of another U.S. athlete died Sunday at the Games.

Bernard N. Morris, the father of Jason Morris, the silver medalist in the 172-pound judo class, apparently died of a heart attack, according to Michael DeMarco of the Glenville Funeral Home in Scotia, New York, which is handling the funeral arrangements.

Jason Morris was heading to Washington, D.C., where he was to attend a presidential barbecue Tuesday, when he learned of his father's death.

Morris came to Barcelona with his son to videotape the matches, according to his wife, Chris Morris, as he had done in the World Championships in West Germany in 1987, in Yugoslavia in 1989, in Barcelona in 1991, the Seoul Olympics in 1988 and the Pan Am Games in Cuba last year.

"This was the culmination, the medal in the Olympics, that's the dream, ever since he was 13," said Chris Morris.

Peter Karnauagh, the father of U.S. swimmer Ron Karnauagh, suffered a fatal heart attack while watching the opening ceremonies July 25.

Spain Got Its Money's Worth, Cheaply

By Gerald Eskenazi

BARCELONA — It was approaching the morning of another day here on the Ramblas, this Iberian version of Main Street and Fifth Avenue rolled into one. But the revelers were still singing, dancing, clapping.

And why shouldn't they be? In an impressive 16-day run, the Spanish Olympians had shared the world spotlight with the big boys and girls, with 13 gold medals — Spain had won just 4 in its previous Summer Games history — and a total of 22 medals, near the total of 26 (since its first in 1900) the country had amassed before 1992.

The 22-medal total, which put Spain among the top 10 countries in medals here, was the dramatic culmination of a four-year program that lavished \$120 million on athletes and coaches — a program designed to change Spain's image on the playing field and how the country is viewed generally around the world.

"We wanted to give to the world an image of Spain dynamic and modern, not only folklore," explained the country's minister of sport, Javier Navarro.

To help accomplish this, Navarro said, Spain imported more than a dozen coaches from Cuba and former Eastern Bloc countries to lead the country into sports respectability. These coaches came as teachers of

such sports as volleyball, archery, water polo, cycling and yachting.

They coached 800 athletes, who have been subsidized by as much as \$80,000 a year for the last four years.

And Spain imported not only coaches: One of the horses in Sunday's final equestrian event was bought abroad for \$800,000.

Spain may never do as well again, however.

By spending big, \$120 million, it won big: 13 golds, to just 4 in all previous Summer Games.

at least not in Atlanta in the 1996 Games. The government kicked in the lion's share of the money for this four-year development program, and it won't be able to do it in the same way from now on.

"Atlanta in '96 will be on a more modest level," Navarro conceded. "There will be fewer funds."

Still, Spain may have changed its image for good. It had always lagged behind its Mediterranean neighbors, France and Italy, in the sports arena. Now in addition to a gold-medal soccer team, there is a fellow from Spain who

captured one of the defining Olympic events: the 1,500-meter run. And, after three overtimes, there was a silver medal in water polo, a sport Spain had never medaled in.

So, what took so long? The answer is tied in with explanations of the Spanish psyche, officials suggested, as well as with the simple fact that Spain has been a poor country.

"We came in late after the Civil War and World War II," said Navarro. "We had on Marshall Plan. Spanish society didn't look at sport in a positive way."

Now, parents are encouraging children, he said. And so has the government. In addition to a \$1 million pension to age 50 from a Spanish bank, each of the individual gold medalists here will earn \$80,000 apiece from the government; members of winning two-man teams will get \$60,000, and each soccer player will receive \$40,000. Silver medalists will get \$40,000, and winners of bronze \$25,000 apiece.

The president of the Spanish Olympic Committee, Carlos Ferrer Salat, expressed amusement at all the talk about the financial incentives.

"We took out an insurance policy with a company from the United States to pay for the medals," he explained. "We paid \$250,000 for it. The company will lose a great deal on the policy, but it will be famous in Spain."

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